FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,227 · Saturday July 26 1980 ***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 45; SPAIN Pts 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 25p; MALTA 20c

NEWS SUMMARY

GENERAL

Wells wins 100m gold

Scotsman Allan Wells won Britain's first athletics gold medal in the Moscow Olympic Games yesterday by the narrowest of margins.

He beat Silvio Leonard (Cuba) by perhaps an inch in the 100 metres final. Both were clocked at 10.25 seconds. The judges sent for a still photo of the finish before deciding.

Englishman Daley Thompson took a big lead in the early events in the decathlon, and is favourite for the gold today, when the final five events of the ten are completed.

Another British gold is expected today when Seb Coe and Steve Ovett are opponents for the first time for two years in the 800 metres final. Both won their semi-finals, and another Briton, Dave Warren, qualified.

Soviet hopes of 300,000 foreign visitors for the Games have been disappointed; estimates suggest something over 150,000 have come. Tickets are one sale in Moscow at a 70 per cent discount.

£1.25bn jet deal

The Carter Administration has given Congress notice that it will sell 75 advanced jets to Australia, F-16s or F-18s for some £1.25bn.

Guerrilla killed

Juliane Plambeck, one of West Germany's most wanted urban guerrillas who escaped from jail in 1976, was killed near Stuttgart when her car hit a lorry. Police found a machine gun and nine pistols in the wreck. Also killed was suspected terrorist Wolfgang Bier.

Hijack over

The two Jordanian hijackers of a Kuwaiti jet en route from Beirut surrendered after hours of negotiations at Kuwait, where the aircraft had landed for a third time.

Strikers sacked

In Sri Lanka, where a state of emergency has been declared, almost 41,000 workers, mainly in the public sector, have been sacked for striking for a 60 per cent pay rise.

BL redundancies

BL Components is to make 580 workers redundant at West Yorkshire Foundries, Leeds—because of reduced demand and the state of the economy. Back Page. Other redundancies, Page 3

Talks in China

Britain and China are discussing the possibility of British Shipbuilders' modernising one or more Chinese destroyers.

325 ahead

England are 325 ahead in the fourth Test at the Oval. All out for 370, they took two West Indies wickets for 45.

Briefly . . .

Lazio of Rome have been relegated, and internationals Giordano and Manfredoni banned 3½ years in the Italian soccer bribes scandal.

Dutch journalist Elisabeth van Hount was deported from Ulster.

Seven were killed when commuter trains collided near Groningen, Holland.

Earl of Wharncliffe, found guilty at Sheffield of killing a woman by dangerous driving, was jailed for six months and banned from driving for 10 years.

Bandits kidnapped three West German children on holiday near Florence.

Eight tonnes of explosives were stolen from near Santander, northern Spain.

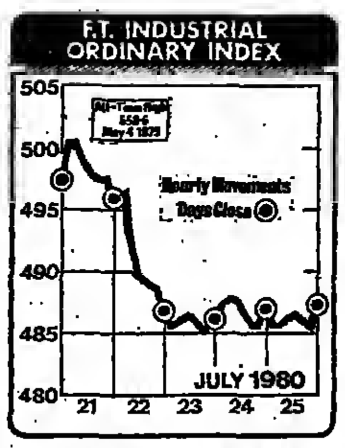
BUSINESS

Pound steady; Gold up $9

● STERLING finished the week at its highest level for five years against major currencies in general. Its trade-weighted index closed a point up at 75.3, but the pound eased against the dollar to finish at $2.3915, a fall of 60 points on the day.

● DOLLAR finished near its best level of the day, rising to DM 1.7390 (DM 1.7350). Its index rose to 83.5 (83.1).

● EQUITIES ended the account quietly, with the FT 30-share index 0.3 up to 487.3 for a loss of 10 points on the week.



● GILTS showed less confidence than earlier in the week. The Government Securities index was 0.08 down at 72.16.

● GOLDS recorded a five-year peak on the FT Gold Mines index at 383.6 on renewed U.S. and South African demand following the rising bullion price.

● GOLD rose $9 to $650.5 in London, an increase of $42 on the week.

● WALL STREET was down 6 points at 920 near the close.

● GOLD FUTURES market is expected to open in London next year. Back Page

● NEW YORK TIMES has moved into the cable television business with a $119m (£50m) acquisition of two New Jersey companies. Back Page

● REINSURANCE case involving ten Lloyd's syndicates and 18 UK and foreign insurance companies in dispute with National Indemnity of the U.S. must be heard in the U.S., a High Court judge ruled. Page 3

● BROKEN HILL Proprietary of Australia reported group profit up by 14.6 per cent to A$208.75 (£102m) for the year to end May. Page 19

● MITSUBISHI Corporation of Japan reports consolidated sales for the year to end March up by 36.6 per cent to Y12,676bn (£24.4bn). Page 19

● VICKERS has secured control of Rolls-Royce Motors, but the bid is still subject to shareholders' approval at an extraordinary meeting on Monday. Page 16

● BICC, electrical component manufacturer and civil engineer, is the potential bidder for Higgs and Hill, the building group. Page 16

● CONCORD ROTAFLEX, electric light fittings group, suffered a £164,000 pre-tax loss for the half-year to end June, compared with a £523,000 profit. Page 16

● A. MONK, civil engineering and building contractor, finished the year to end February with pre-tax losses of £465,000, compared with profits of £3.48 previously. Page 16

Publisher's notice

The Financial Times apologises to readers for possible errors and omissions in prices and indices on Pages 18 and 19 because of an industrial dispute at Reuters.

BRIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Anchor Chemical	72	+ 5	British Land	87	− 6
Brown (J.)	57	+ 4½	County & District	180	− 15
Callyns	136	+ 7	Howard Machinery	9	− 2
Coral Leisure	67	+ 5	Ingram (H.)	24	− 4
Corn Exchange	50	+ 3	Metal Box	286	− 8
Davy Corp.	99	+ 6	Midland Bank	335	− 17
Dorrington Inv.	112	+ 6	Minet Hldgs.	97	− 6
Dunlop	81	+ 3	Nat. Carbonising	140	− 6
English China Clays	108	+ 5	NatWest Bank	352	− 15
Gough Cooper	100	+ 9	Reed Intl.	194	− 13
Leigh Interests	172	+ 6	Stewart Wrightson	223	− 9
Newarthill	275	+ 12	Tube Invs.	270	− 6
Petrocon	35	+ 6	Willis Faber	255	− 7
Rockware	111	+ 6	Aran Energy	444	− 20
Sirdar	91	+ 5	Berkeley Expln.	180	− 15
UK Property	51	+ 3	LASMO	686	− 29
Castlefield (Klang)	545	+ 105	Shell Transport	410	− 10
Impala Plat.	340	+ 12	Tricentrol	334	− 8
President Steyn	£20½	+ 1	Haoma Gold	150	− 22
Venterspost	689	+ 25	Northern Mining	110	− 10

Tanker disaster report censures Total and Gulf

BY WILLIAM HALL SHIPPING CORRESPONDENT

TWO oil companies—Total and Gulf—have been heavily censured for their part in the Betelgeuse disaster at Bantry Bay in the Irish Republic last year, when 50 people died following a massive explosion at Gulf's oil terminal.

The tribunal, set up by the Irish Government to investigate the disaster, has concluded that the main share of the responsibility for the loss of the 121,000 dwt tanker must lie with the management of Total, the French oil company, which owned the vessel.

But the tribunal also heavily criticised Gulf Oil's operation of the terminal at Bantry Bay. It said that the absence of the dispatcher from the control room when the fire started, and the length of time taken to get help, resulted in needless loss of life.

Gulf Oil said yesterday that it would be premature to comment on the report until it had been studied. However, Total said that it contested in the "most categoric manner possible" the conclusions about the responsibility for the disaster.

Publication of the report, which runs to nearly 500 pages and cost £3m, comes within days of a similar disaster in *Rotterdam* and is bound to strengthen calls for tighter controls over tankers and oil terminal operators.

There have been five major casualties among the world's fleet of supertankers of over 200,000 dwt this year and there is growing concern that in some cases ships crews and oil terminal staff are not sufficiently well trained to use sophisticated safety equipment.

In a chapter headed *Steps Taken to Surpress the Truth*, the tribunal says that active steps were taken by some Gulf personnel to surpress the fact that the dispatcher, the key man in the event of an emergency, was not in the control room when the disaster began.

The tribunal claims that false entries were made in logs, false accounts were given of the disaster both to the tribunal and in investigations held before the public hearings. "This was deliberately done to lend support to the dispatcher's evidence," says the report.

The report is being considered by the Irish Director of Public Prosecutions.

The tribunal says that the Betelgeuse disaster was produced by the conjunction of two seperate factors: a seriously weakened hull due to inadequate maintenance, and an excessive stress due to incorrect ballasting.

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Split tanker's officers arrested. Back Page

The remains of the Betelgense, billowing black smoke.

Musicians' leaders will recommend return to work

BY NICK GARNETT, LABOUR STAFF

THE EXECUTIVE of the Musicians' Union decided yesterday to recommend a return to work on August 4 when a ballot is held among striking members who work for the BBC orchestras.

The recommendation is based on an agreement with the BBC, which would save three of the orchestras the corporation intended to disband in the cost-cutting programme which prompted the union to call the strike.

A resumption of work would allow the remainder of the Proms season, due to end on September 13, to begin in the second week of August.

The result of the ballot, to be held among the 550 union members who work for the BBC orchestras, will be known late next week.

The Scottish Symphony Orchestra, the Northern Ireland Orchestra and the London Studio Players would be retained.

The Scottish Radio Orchestra, the Northern Radio Orchestra and the Midland Radio Orchestra would be disbanded, but the notice to terminate would not take effect until next March 31.

The dismissal notices sent to 172 musicians are withdrawn under the proposals. The 86 musicians who will lose their regular posts within the disbanded orchestras would now be offered "first call" contracts giving a five-year guarantee from April 1 next year of 66 per cent of their salaries, with pay adjustments through the five years.

There will also be lump-sum severance payments based on one month's pay for every year of service, together with extra money for some musicians, depending on age.

As part of the proposals, the full establishment of 69 in the Scottish Symphony Orchestra is being cut to 62, the number of musicians now working for the orchestra.

The BBC and the Musicians Union would also support the creation of one enlarged independent orchestra for Ulster. The London Studio Players will use different forms of work contract so more work can be broadcast.

The BBC also wants to add posts to the BBC Symphony Orchestra and the BBC Northern Symphony Orchestra, depending on its resources after the next licence increase.

Union officials, while accepting the proposals as a compromise, believe that have won a big improvement in the original *BBC proposals* by their eight-week strike.

The corporation said the agreement was fair to both sides and still provided for the £500,000 savings it was seeking as part of its two-year programme to cut £130m in costs.

This, however, now takes into account the £150,000 promised by the Scottish Symphony Orchestra Trust as a result of the dispute.

Midland Bank interim profits fall

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MIDLAND BANK gave banking experts and the stock market one of their biggest surprises in recent years yesterday by reporting a substantial drop in interim pre-tax profits.

Midland reported a result £14m lower at £124.5m, and said it had incurred a post-tax loss of £9m after taking inflation into account. It is paying an unchanged interim dividend.

The stock market expected Midland to announce profits in the £165m-£70m range. The news immediately knocked 29p off Midland's share price, but the shares recovered to close 17p down at 335p.

In calculating the interim figures Midland has charged profits with £39m for extra bad and doubtful debt provisions. All but £1m of this is said to be for the specific provision for bad debts and it apparently brings the bank's total specific provision to around £152m at the end of June.

Midlands says all this is needed to cover advances which it knows to be bad, and therefore, irrecoverable. The additional general bad debt provision is only increased by £1m to £43m.

Despite the big jump in the bad debt provision it appears that Midland has incurred only net write-offs in the half year of £3m.

Mr. Dennis Gladwell, general manager, finance, at Midland, said a number of other factors have had an adverse impact on the results. Along with Lloyds Bank last week, Midland has experienced no growth in the balances on current accounts, which now account for only a third of funds, against almost 40 per cent a year ago. Also, domestic lending margins had contracted.

Midland also announced yesterday that Sir David Barran, aged 68, former chairman of Shell Transport and Trading Group, is to succeed Lord Armstrong as the bank's chairman. Lord Armstrong died suddenly earlier this month.

Sir David, who has been a deputy chairman at Midland, is not regarded as a long-term successor.

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For latest Share Index phone 01-246 8026

Dunlop to be helped in tracing buyers

By Andrew Fisher in London and Wong Sulong in Kuala Lumpur

THE BRITISH Government has agreed to help Dunlop Holdings discover the identity of the anonymous Far Eastern buyers who have accumulated up to a fifth of the rubber group's shares this year.

Two inspectors from the Department of Trade have been appointed, at the company's request, to investigate recent purchases of Dunlop's shares, whose value has risen considerably in past months.

At yesterday's price of 81p, an increase on the day of 3p, Dunlop is worth nearly £110m in the market, putting a rough value of £20m on its Far Eastern holding. At the start of the year they were 52p.

All the purchases in question have been made through various nominee companies, thus cloaking the identity of the original buyer, or buyers, who are believed to be based in Malaysia.

Since Sime Darby, the plantations group, has been discounted as a likely buyer, most speculation now centres on Mr. Ghafar Baba, a Malaysian politician with considerable business interests.

Dunlop, whose profits have suffered recently from the poor state of the tyre industry, especially in Europe, said the failure to identify the Far Eastern buyers was "an unsatisfactory situation for the members of the company generally."

About half of the stake acquired this year has been bought through Lorient nominees, part of the London stockbroking firm of Laurence Prust. Another slice has been acquired through Guimaco Nominees, owned by UK merchant bankers Guinness Mahon.

Dunlop has written to these and other nominee companies, mostly based in Singapore, but has been unable to establish who the buyers are, or even whether they are definitely acting in concert.

The situation is reminiscent of the purchase, also initially kept secret, of a quarter of the shares in Consolidated Gold Fields by De Beers Consolidated Mines of South Africa earlier this year.

In that case, De Beers showed its hand after inspectors had been appointed by the Department of Trade. Their report is likely to be issued soon, and the Government may consider when it also has the Dunlop investigation results if changes in company law are needed.

The inspectors have the power to freeze any unidentified

Continued on Back Page

Bids for three property companies

BY MICHAEL CASSELL

THREE publicly-quoted property companies were the subject of agreed bids worth over £60m yesterday, raising expectations that a spate of takeovers and mergers in the property sector was on the way.

British Land, which has only just recovered from the property crash of the early 1970s, announced a £21m bid for United Kingdom Property and said it had agreed terms for an £11.1m takeover of the Corn Exchange, which owns valuable property assets in the City of London.

The British Land announcements were followed by news that in a move to step up its property interests to account for a quarter of total assets, Costain was to pay £28½m for County and District Properties.

The deals come at a time of acute shortage of prime investment properties and development opportunities. There are growing signs that the cash-rich institutions are prepared to consider company acquisitions to boost their property portfolios, while several of the property groups are themselves casting eyes over those companies offering useful assets and development potential.

In the larger of its two deals, British Land offers 50 of its own shares for every 84 shares in UKP. Guinness Mahon is underwriting the new British Land shares at 84p each.

Shareholders controlling 75.4 per cent of UKP—principally the South African Schlesinger group, have accepted the terms. At the underwritten price, the offer values each UKP share at 50p, and full acceptance will involve issue of about 25m British Land ordinary shares.

UKP made a *pre-tax profit* in the year ending March 1980 of £1.28m, and had net assets at that date of £30.3m, giving it a net asset per share value of 74.6p, a figure which British Land believes is understated.

The gross value of the group's property portfolio stands at £44m, including a 1.4m sq ft industrial estate near Manchester which is due to be doubled in size.

UKP has profitable engineering division which British Land says will fit in with its own W. Crowther Industrial operation. UKP shares rose 3p to 51p on the news.

In its other deal British Land has agreed to offer £25.07 in cash plus £9 convertible stock for every 100 Corn Exchange Ordinary shares.

Full acceptance will involve issue of £2m of convertible stock equivalent to about £5.5m and payment of £5.58m in cash. Guinness Mahon is underwriting the British Land Convertible offer at £2.77 per £1 of stock. The cash offer values each Corn Exchange share at 50p.

British Land said that Rothschild Investment Trust, which holds 29.2 per cent of Corn Exchange shares and others who have 8.4 per cent of the equity have accepted the terms.

The principal asset of the Corn Exchange is the 100,000 square feet freehold building which it owns and operates in the City. British Land intends to operate it in conjunction with its 500,000 square feet freehold known as Plantation House, which is nearby.

Early last year the Corn Exchange building was revalued at £13m.

The company recorded a pre-tax profit of £428,000 in 1979 and net assets of £12.8m. Corn Exchange shares rose 3p to 50p at the close.

Mr. John Weston Smith, a director of British Land, said the two deals would increase the group's gross assets by £61m to £268m, widen its equity base but leave its debt-equity ratio virtually unchanged. He said that UKP had advantageous fixed-rate term loans. British Land shares fell by 6p to close at 87p.

In both the UKP and Corn Exchange deals, directors of the respective companies and their advisers (Kleinwort Benson in both cases), recommend shareholders to accept what they describe as "fair and reasonable" terms. British Land says it plans no redundancies.

Under the terms of Costain's bid for County and District, the civil engineering group is to pay 190p cash for each C and D ordinary share. Shareholders can opt for an equivalent amount of redeemable loan notes. The offer values the company at £28.5m. The C and D board, and advisers Hambros Bank, recommend acceptance. Holders of nearly 36 per cent of the equity have indicated they will accept the offer.

Costain shares rose 2p to 194p, while County and District fell 10p to 185p.

£ in New York

—	July 24	Previous
Spot	$2.3945-3955	$2.3835-3850
1 month	1.55-1.50 dis	1.75-1.70 dis.
3 months	3.65-3.60 dis	3.92-3.87 dis.
12 months	7.30-7.15 dis	7.62-7.52 dis.

OVERSEAS NEWS

Free market experiment transforms China's 'heavenly land'

IT'S PEACH and water melon time in Chengdu, capital of China's Sichuan province. Streets are lined with vendors selling fresh fruit and vegetables. Hundreds of tailors have taken to the sidewalks with their battered sewing machines. Everywhere is a sense of bustle and commerce.

The street vendors of Chengdu are busy making money and appear to be enjoying it. Apart from small taxes and charges, profits go into their own pockets or to their fellow commune members, not to the state.

This newly-given freedom has unleashed an awesome zest for business among the volatile Sichuanese. Chengdu has been transformed into a milling market town. Similar scenes can be witnessed in small and large towns throughout the province.

The experiment in free enterprise, Chinese style, appears to be working. Local officials report a sharp increase in production.

A curious feature of Chengdu's "free markets," and markets throughout China, for that matter, is that they charge higher prices than state-owned enterprises. Food is not subsidised in these markets. Yet they are more popular. A young woman told me the produce is fresher. It's also more fun to shop at a free market, she said.

The markets are the most visible sign of a small economic revolution being wrought in China's most populous and richest agricultural province. The "heavenly land," as Sichuan is known, produces more than enough food for its 100m people.

Behind the markets which have transformed drab streets into lively centres of commercial activity, a process of economic experiment is going on which, if successful, could transform industrial and agricultural management throughout China.

In industry a process of self management has been introduced aimed at persuading managers to run their enterprises more vigorously. They have been handed powers they've never had before over purchasing, marketing and personnel matters. Managers in some Sichuanese enterprises can now actually hire and fire.

Reward for managers who assume greater responsibility is that their enterprises' returns from the state increase with improved profitability. The experiment is being tried in 400 industrial enterprises throughout Sichuan and if it proves successful will be extended to many of the province's 6,000 state-owned enterprises and 34,000 collectives.

An experiment in free enterprise has brought new life to the drab streets of Chengdu, capital of Sichuan, China's fiercely independent and most heavily populated province. Our Peking correspondent, Tony Walker, recently in Chengdu, traces inspiration for the experiment to the province's two 'favourite sons.'

Deng Xiaoping

Zhao Ziyang

The principles of self management are also being applied in agriculture. Communes are being encouraged to experiment with different crops. Production units are being overhauled in an effort to give individual farmers more say in the use they make of their land, and in some cases the area of land allocated to peasant families is being extended to allow more scope for individual production.

At the Chengdu Seamless Pipe Manufacturing Plant, one of Sichuan's biggest enterprises with 13,000 employees new management methods appear to be working. Wang Jue Xian, Chief Accountant, said production increased by one-third last year. Whether this was because new French and Japanese machinery was introduced at the beginning of 1979 was difficult to judge.

Interestingly a new slogan had gone up in the foyer of the factory's administrative block. "Free your minds and seek truth from facts. Be united and look forward," the slogan said in bold white letters on a red background.

Seeking truth from facts is, of course, the favourite saying of Deng Xiaoping, China's Senior Vice-Premier, Sichuan's favourite son. Seeking truth from facts is Deng's way of saying put aside Maoist dogma and try, in a practical way, to get the country moving. In Sichuan, at least, people appear to be listening.

Most credit for Sichuan's transformation from economic stagnation and political faction-fighting at the time of the downfall of the Gang of Four to its present status as a model of economic development is accorded Zhao Ziyang, a Deng protegé, former First Party Secretary of Sichuan, and now Executive Vice-Premier and member of the Standing Committee of the Politbureau, China's ruling body.

Zhao is the rising star of the Chinese Communist Party and its most enthusiastic proponent of self-management. Indeed, he originated the programme which is now spreading to other provinces.

Although local officials will tell you that Sichuan's reforms are based on Mao's Treatise on 10 Essential Relationships, the fact is that Zhao implemented the changes after visiting Yugoslavia and observing that country's system of state capitalism.

Without Zhao's reforms Sichuan would probably be doing well anyway. Its vast natural resources, including gas, coal and oil, its agricultural riches and its energetic population—Sichuanese have a reputation for vitality—would have ensured progress under today's more practical policies.

What Zhao has perhaps created is a desire by the xenophobic Sichuanese to flex economic muscle beyond their landlocked borders. Beginning in a small way, the province is attempting to compete with coastal commercial centres like Canton and Shanghai.

It recently established its own Import and Export Commission to push Sichuanese products more aggressively on overseas markets. Provincial authorities are also encouraging foreign corporations to set up business here. A number have said they are interested.

Sichuan is a place of extremes, like the temperament of the Sichuanese themselves. This perhaps explains why, during the cultural revolution, Sichuan was plunged into such chaos. Thousands of people were killed in bitter fighting between various factions. A visit to Chengdu today makes this all hard to believe.

An illustration of the madness which gripped the province was the case of the famed Chengdu lacquer-ware factory which ceased producing handicrafts for foreigners because it was not considered a suitable revolutionary activity. Instead the factory management switched production to ping pong balls and Mao souvenirs before returning in 1976 to full-scale production of lacquer-ware for export.

Today, business is booming, export orders are flooding in and a steady stream of tourists are shown through the factory. The Chengdu lacquer-ware factory's old line of Maoist trinkets is not much in evidence these days.

Ford announces short-time at Bordeaux factories

BY TERRY DODSWORTH IN PARIS

THE DEEPENING recession in the French motor industry was aggravated further yesterday by a decision from Ford, the U.S.-based group, to introduce short-time measures at its Bordeaux transmission plants.

Unless there is a sudden and unexpected improvement in the U.S. vehicle market, Ford is proposing to close one of its units at Bordeaux from next week until October 1. That would mean five weeks of lay-offs for the workers concerned, who will also be taking their summer holidays during the period.

The lay-offs are connected with U.S. conditions because the plant makes automatic transmissions for the group's American range. The other unit on the site, making gear boxes for the Fiesta, will shut down for only two weeks.

Unions representing the 3,800 workers at the two Bordeaux plants where Ford is a leading employer, are protesting vigorously. They argue that the unit making transmissions for the U.S. should be converted because of the decline in the big car market in North America.

The Ford decision is one of a number of moves which underline that France is now seriously affected by a crisis similar to that which has hit other Western vehicle industries. Car sales dropped by more than 16 per cent last month, to 152,000 units, and production by 5.5 per cent, to 268,000 vehicles.

The Peugeot group has been particularly hit, with overall production from its three divisions—Peugeot, Citroen and Talbot—down by about 16 per cent in the first half-year. All three sectors have announced temporary plant closures during the summer and autumn.

Cossiga hearing loses its glitter

BY RUPERT CORNWELL IN ROME

THE IMPEACHMENT proceedings against Sig. Francesco Cossiga, the Italian Prime Minister, on charges that he helped the escape of a wanted terrorist suspect is grinding on, amid mounting boredom and general embarrassment that the biggest victim may well turn out to be the prestige of Parliament.

Yesterday, the second full day of the hearings, saw speaker after speaker listened to by barely 100, and often fewer than 50, of the 952 Deputies and Senators whose vote will decide the Premier's fate.

In part the lack of interest reflects the widespread conviction that the outcome, expected at the latest by Monday, is a foregone conclusion. Christian Democrats, Republicans, Socialists, the three Government parties, and some Social Democrats and Liberals as well, are all expected to provide a substantial majority for Sig. Cossiga's acquittal.

But there is also the tangible sensation that what was supposed to have been a formal occasion of the utmost gravity has become a highly-politicised charade. Much of the credibility of the proceedings has been stripped away by the confusion created by the contradictory "confessions" of captured terrorists, whose testimony to magistrates provides the basis of the impeachment.

The Communist Party, perhaps realising that its zealous attack on Sig. Cossiga has merely helped cement the fragile unity of the Government coalition, is showing signs of backtracking.

But even for Sig. Cossiga it will be a somewhat Pyrrhic victory. The allegations that he tipped off his Christian Democrat colleague, Sig. Carlo Donat Cattin that his son Marco was being sought by the police have by all accounts wounded and demoralised him.

Gandhi eases industry curbs to encourage foreign participation

BY K. K. SHARMA IN NEW DELHI

LONG STANDING restrictions on the expansion of private sector companies in India have been partially lifted under a major shift of industrial policy announced by Mrs. Gandhi's Government this week.

The new industrial policy will also enable firms to purchase foreign technology, thus paving the way for large scale foreign collaboration in virtually all sectors of industry.

Behind the policy is the government's desire both to accelerate the modernisation of Indian industry, which has been heavily protected for the last 25 years, and to boost industrial exports at a time when the trade deficit is widening. This encouragement for the private sector reflects the views of Sanjay Gandhi, the Prime Minister's son who died recently.

The new policy will enable companies to expand industrial capacity more easily than in the past. Both Mrs. Gandhi's previous left-wing administrations and the Janata government maintained restrictions on the growth of companies in an effort to prevent monopolies and the concentration of economic power.

Licensing through the Monopolies and Restrictive Trade Practices Act (MRTP) and the Foreign Exchange Regulation Act (FERA) held back the growth of large industrial houses like Tata and Birla, as well as foreign companies like Hindustan Lever and Siemens.

Both Acts remain in force. But the new policy attempts to circumvent some of their rigidities by allowing limited expansion in 34 vital areas. Thus all companies covered by the Acts will now be allowed to expand their licensed capacity automatically by 25 per cent over five years in core sectors including capital goods, high technology industries and those considered capital intensive. Special consideration will also be given to exporters.

The private sector has long been pressing for greater freedom to import foreign technology to update plant and improve competitiveness. The new policy goes a long way towards meeting its wishes.

In reversing her former ideological opposition to India's large industrial houses, Mrs. Gandhi is apparently hoping to achieve a more rapid industrial revival after the drop in output last year.

House vote a blow to U.S. rail deregulation

By Ian Hargreaves in New York.

ATTEMPTS by the Carter Administration and leading Congressmen to revitalise the U.S. railway industry by significantly increasing the railways' pricing flexibility have been dealt a serious and possible mortal blow in a House of Representatives vote.

In a narrow 204 to 197 vote, the House accepted a key amendment by opponents of the so-called deregulation of railways.

The amendment has the effect of placing strict limits upon the railways' ability to raise prices for carrying their main cargo, coal.

Designed to hold down the price of coal to the power companies and thus to keep electricity prices to consumers in check, the coal price amendment effectively destroys the central intent of the Bill.

The association of American railroads, which has lobbied hard and so far apparently successfully for the Bill, said the amendment would emasculate the Bill and that if it remained in place the industry would turn its attention to defeating the amended Bill.

The Bill's supporters may take the proposed measure, which has already been cleared in the Senate, back to the House next week, although it appears more likely that railway deregulation has now been sunk until after the Democratic Party convention on August 11.

Although the major railways have increased their prosperity in the last two years, partly because many of them also have substantial natural resources interests, the industry's rate of return is still well below the norm for U.S. business.

Bolivian junta now in control

By Mary Helen Spooner in La Paz

BOLIVIA'S NEW military Junta appears to have consolidated its control over the country, although pockets of resistance still remain in a few tin mining regions.

The new Government's ability to stay in power will now depend largely upon its recognition by other nations, its success in obtaining foreign economic aid and in renegotiating the country's $3.7bn external debt. Repayments due this year total $626m.

Economic aid from the U.S. and a number of European nations has been suspended in protest at the coup. A handful of Governments have either recalled their Ambassadors or broken off diplomatic relations. The Andean Pact, a common market-style organisation made up of Venezuela, Colombia, Ecuador, Peru and Bolivia, is considering sanctions against the new regime of General Luis Garcia Meza.

One conspicuous exception to the stream of critics is Argentina, whose support for the July 17 coup has been publicly denied but privately ill disguised. Argentina's authoritarian military regime has not been happy with the rise of Leftist political movements in Central America or the birth of civilian democracies in Ecuador and Peru.

A Bolivian Government headed by Sr. Hernan Siles Zuazo, the winner in the June 29 Presidential election, and a moderate leftist, on Argentina's doorstep, may have seemed too great a danger.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Ecevit, Demirel pact on terror

BY METIN MUNIR IN ANKARA

TURKISH political leaders agreed yesterday to co-operate in passing new legislation to combat terrorism. The decision marks a rare moment of unity in a country where sharp polarisation between the parties has culminated in a wave of political assassinations.

The move was announced by Mr. Ihsan Sabri Caglayangil, the country's acting President, while thousands of workers in Istanbul attended the funeral of Mr. Kemal Turkler, the prominent left-wing union leader, who was murdered this week.

Agreement was reached during a four-hour dinner given on Thursday night by Mr. Caglayangil for Mr. Suleyman Demirel, the Prime Minister and Mr. Bulent Ecevit, the main opposition leader.

Mr. Bulent Ecevit

Parliament will draw up a special agenda to debate five anti-terror Bills. Two of them will provide for an increase of authority for martial law administrators. Widespread martial law introduced in December 1978 has not helped contain violence which has claimed well over 1,000 lives this year. The army has demanded more authority.

A third Bill calls for an amendment of the criminal code with the purpose of increasing punishment for terrorists. Measures will be introduced to speed up court procedures and to compensate the families of soldiers or policemen killed or wounded by terrorists.

Mr. Ecevit, the Social Democrats' leader, refused to consider two other Bills which Mr. Demirel and the army consider vital. These are a state of emergency Bill and another to provide for special courts to try terrorists.

The fact that the two politicians agreed to meet again to discuss other national issues is seen as a hopeful sign.

Mr. Ecevit killed hopes that Thursday's meeting might herald a new era of co-operation for Turkey. The Social Democrats continue to accuse the Prime Minister of protecting right-wing terrorists and said that their conception of democracy was different.

Mr. Ecevit was probably worried that a comprehensive agreement with Mr. Demirel could be construed as a concession and would further undermine his weak position in the party.

Sadat 'will recall Israeli envoy' over Begin move

BY OUR FOREIGN STAFF

AS THE Israeli Knesset (parliament) yesterday passed the first reading of a controversial Bill declaring Jerusalem the country's "united, indivisible and eternal capital," a diplomatic row loomed over Prime Minister Menahem Begin's plan to move his office to Arab East Jerusalem.

Israeli Radio and the Yediot Aharonot newspaper, both quoting Western sources, reported that Egypt's President Anwar Sadat viewed Mr. Begin's intention as a unilateral step of annexation and would recall his ambassador from Israel if the move went ahead.

The Egyptian ambassador, Mr. Saad Murtada, took up his post in Tel Aviv last February when the two countries exchanged envoys.

Egyptian officials were unavailable yesterday for comment on the reports. According to Israeli newspapers, the U.S. ambassador in Israel, Mr. Samuel Lewis, has visited Mr. Begin and warned that the proposed move was an unnecessary provocation and an obstacle to peace.

Cracks found in three Swedish nuclear plants

BY WESTERLY CHRISTNER IN STOCKHOLM

THE ISSUE of safety at Swedish nuclear power plants has arisen again with the discovery of cracks in the feed-water system in three reactors over the past week.

The reactors are all of the type in which water is used as coolant and moderator and allowed to boil in the core. They were delivered by ASEA-Atom, the nuclear reactor company which is owned half by the State and half by ASEA, the heavy electrical group. It is expected that repairs to correct the faults will take up to three weeks to complete.

Inspectors of the State Atomic Inspection Board found identical faults at Ringhals 1, a 750 MW reactor near Gothenburg, which has been operating since 1974, at Barsebeck 2, 580 MW, also in operation since 1974 and at Oscarshamn 2, 580 MW, operating since 1977.

Improvement in Hong Kong's trade figures

By Philip Bowring in Hong Kong

HONG KONG'S latest trade and consumer price figures showed improvement in June, but overall figures for the first half of the year still showed marked rises in the trade deficit and inflation over 1979.

The June trade gap narrowed to HK$367m from HK$961m the previous month. Exports edged upwards but imports fell 6.7 per cent from the previous month.

For the six months as a whole, imports have risen 35 per cent to HK$51.9bn compared with increases of total exports of 36 per cent to HK$44.3bn and of 33 per cent for domestic exports to HK$31.1bn. The six-month trade deficit was thus HK$7.6bn compared with HK$5.9bn for the same period of 1979 and HK$9.9bn for the whole of 1979.

The consumer price index for June rose 0.6 per cent, the same as the previous month, but well down on the increase of 15.3 per cent since June 1979.

UK NEWS AND LABOUR

Gas prices blamed for chemical job cuts

By Sue Cameron, Chemicals Correspondent

HICKSON AND WELCH, a Yorkshire chemical company, plans to axe 12 per cent of its 1,300 workers. It lays part of the blame on high prices for gas.

The company, which exports half its output, says it must pay "at least 50 per cent more than our overseas competitors" for gas. Prices charged by British Gas Corporation amount to a "penal tax on industry," it claims.

British Gas increases for its industrial contract customers would be between 11 per cent and 61 per cent. The first increases will come in September, as contracts are renewed.

Mr. Geoffrey Wright, managing director of Hickson and Welch, said yesterday that the move to cut 156 jobs was partly the result of the recession and of the strength of sterling, which reduced profit margins.

But a "large factor in the company's difficulties" was the high price of gas. Prices had "escalated at a very high rate" and seemed likely to continue rising in the future.

"It is high time some sense came into the pricing policy applied to the sale of natural gas to industry," Mr. Wright said. "All we ask for is a price for gas that is fair, relative to our international competition, so that we can compete on equal terms."

He added that Hickson's chief overseas competitors were U.S. and Germany. The company made investigations after its own gas price was raised last November, and discovered that its competitors in the U.S. paid between 11p and 14p a therm for their gas, 50 per cent less than UK prices. Chemical producers in the U.S. bought gas under interruptible contracts, the same basis on which Hickson buys most of its gas.

One reason why gas is cheaper in the U.S. is that prices are held down by the U.S. Government. Gas prices there are due to be decontrolled in 1985.

Mr. Wright said that his company also paid more for gas than its competitors with plants in Germany. If UK gas prices to industry were lower, Hickson would not have had to plan for such large cuts in its work force.

"Ministers are said to have commented that energy costs account for only a tiny percentage of industry's total costs. But we estimate that gas costs account for about 10 per cent of our £34m turnover.

"Nationalised industries like British Gas are being encouraged to raise their prices so as to lower the public-sector borrowing requirement.

"A large proportion of the recent high profits reported by British Gas are paid over direct to the Government. What this means is that the Government is putting yet more pressure on British industry.

"At a time when the market is turning down, it would be more logical to accept lower prices than put prices up, otherwise one's customers are likely to go out of business altogether.

"If we took the same kind of short-term view of prices and customers as British Gas, we wouldn't have any customers left."

Hickson, which has a plant at Castleford, West Yorkshire, produces intermediate chemicals for use in making pharmaceuticals, agrochemicals, dyestuffs and other items.

The Chemical Industries' Association has been leading a campaign against British Gas Corporation's policy on prices for industry.

● Ranks Hovis, the flour-milling subsidiary of Rank Hovis McDougall, is to close down one of its London mills next year with loss of 112 jobs.

The company's Premier Mill in the Victoria Docks has been uneconomic for some time. Machinery is outdated and the mill needs new equipment. Barges no longer transport grain to the mill. It all has to be carried by road from Tilbury.

The closure is part of the company's programme to rationalise flour production. Ranks Hovis has 17 mills in Britain. Investment is being made to modernise and streamline the Battersea mill.

At most, 50 of the company's 200 workers there will lose their jobs, though the plans have not yet been completed.

Howe denies hiding the truth on Civil Service pay

BY DAVID MARSH

A ROW over the Government's presentation of Civil Service pay rises appears to have further soured relations between Sir Geoffrey Howe, the Chancellor, and an all-party committee of MPs inquiring into his economic policies.

Sir Geoffrey yesterday denied that the Government had concealed details about the size of this year's public sector pay bill, after a report by the Commons Treasury and Civil Service Committee on Thursday attacked the arrangements for calculating Civil Service pay rises as confusing and obscuring the truth.

Sir Geoffrey appears to have been particularly indignant at the suggestion that he did not tell "the whole story" about public sector pay when giving evidence to the committee in April.

There have already been signs of strain between the Treasury and the committee, whose report in May on the Government's public spending plans criticised several features of official strategy. The latest difference of opinion is unlikely to improve the climate when Sir Geoffrey makes his second appearance before the MPs on Monday, this time to give evidence on the Government's monetary policies.

The committee's report on Thursday claimed that, while the global pay increase included in public sector pay estimates for this year was 14 per cent, the actual increase was expected to be 25 per cent.

This figure emerged from the Chancellor's evidence before the committee in April, which led the MPs in this week's report to criticise the practice of "staging" pay awards to get round cash limits.

On BBC radio yesterday, however, Sir Geoffrey denied that staged pay awards hid the extent of wage increases. "There is no question of concealment whatsoever. All the figures paid to civil servants are set out very clearly in the estimates."

Nick Garnett adds: Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions, claimed yesterday that Thursday's report was aimed at ending effective pay negotiations and holding staff down to a percentage pay rise in single figures next year.

Mr. Kendall said: "It is the Government's deliberate policy to bash the Civil Service and the treatment of the report by part of the Press and Government spokesmen is outrageous."

Prince Charles was in the Lords' team that played the Commons on the 300-yard range at Bisley yesterday. He scored 40 out of a possible 50, including a bull's eye. It was the first time that a member of the Royal Family had been a membe rof the team.

Talks on voluntary work plan

BY ELINOR GOODMAN

JUNIOR MINISTERS are expected to meet next week to discuss ways in which charities might be involved in providing voluntary jobs for the unemployed.

One idea is that charities taking them on might get additional funds—probably out of an increased budget for the Youth Opportunities Programme.

By taking on help in this way, it is said, the organisations would be able to provide help which they cannot afford to give now because of lack of resources.

The talks are one strand in discussions over a wider package of measures to help unemployed young people. They are taking place against a background of increasing concern among Ministers about the short-term job outlook.

Interviewed on BBC Radio yesterday, Mr. James Prior, Employment Secretary, admitted that unemployment might increase before the Government got on top of the problem. He said the Government would be studying the position over the next two months. However, he thought it would be necessary to bring forward further measures to help young unemployed, as well as perhaps giving further assistance towards retraining other unemployed workers.

The Prime Minister has agreed that extra money may have to be found from other projects to increase spending on the Youth Opportunities Programme and other job schemes.

Mr. Prior's department is reviewing existing measures, and this should be completed by the middle of next month. The final package may not be decided until October, when Ministers will have a better idea of how many school leavers have been unable to find jobs.

When Mr. Prior first put forward the idea of encouraging unemployed to take voluntary jobs, it sparked off a storm of union protests. It was seen as a first step towards forcing the unemployed to do jobs nobody else would touch.

This was strenuously denied by Mr. Prior, who insisted there was never any question of compulsion. But, he stood by the view that many unemployed youngsters would prefer useful work to drawing the dole and doing nothing.

Ministers have had talks with Community Service Volunteer organisers, who said they might be able to find work for about 3,000 school leavers.

But, the idea now seems to be to find out whether other voluntary organisations, such as CARE and MIND, might not be able to take on school leavers to do work—for example visiting old people—which otherwise would not be done, given the pressures on charities' finances.

Some ministers believe a properly co-ordinated effort could provide 100,000 jobs. One suggestion is that voluntary organisations would be compensated by the Government for any additional staff they had to take on centrally to cope with the additional field workers.

Whalers outvote the conservationists

BY ALAN FRIEDMAN

THIS WAS NOT the year of the whale. The International Whaling Commission, still struggling late last night to complete its agenda, met for five days at Brighton's Hotel Metropole and found itself unable to achieve a single moratorium proposed by conservationist nations.

The week started with the UK and U.S. getting a worldwide ban on commercial whaling approved by the IWC's technical committee. But on Tuesday, nine pro-whaling delegations prevented the IWC from officially passing this motion with the necessary three-quarters majority.

This block, led by Japan, held together for the rest of the week and prevented any progress beyond the anti-whaling decisions taken at last year's IWC meeting in London. One member of the U.S. delegation commented: "It is clear the block voting by the whalers has been very effective in hindering new measures at this year's meeting."

Some delegates, however, accused the Americans of diluting the strength of anti-whalers by their pre-occupation over quotas on the bowhead whales, hunted by Alaskan Eskimos. The IWC rejected a ban on such hunting and the U.S. indicated it would regulate the Eskimos domestically if there was no IWC consensus.

On Wednesday the Seychelles delegation withdrew a proposal to extend the Indian Ocean whale sanctuary because the votes were clearly not there. The same day the IWC's technical committee set lower quotas on minke whales, only to have these raised yesterday.

On Thursday the IWC rejected calls to ban the hunting of sperm whales, a success for the Japanese delegation. Much of Japan's coastal whaling industry relies on sperm whales.

The week ended with a ban on the use of certain "inhumane killing methods" and the inclusion of killer whales in last year's ban on factory ship whaling.

One disgruntled delegate in Brighton reflected general gloom when he said last night: "This has been a year of regression. From now on it looks like the IWC may well stagnate without being able to take decisions."

'Inaccurate' traffic plan abandoned

A COMPUTER traffic forecasting model, which cost more than £7m to develop, is to be abandoned after many of its results were found inaccurate.

Mr. Norman Fowler, the Transport Minister, said in the Commons that he accepted the main conclusions of a Government advisory committee report which recommended that his department should not try to re-adjust the methods used in the project, called the Regional Highway Traffic Model.

The project, set up in 1975 at a time of major national road building programmes, tried to improve existing forecasting methods, done on a local basis, by adopting a national model. This, said the report, resulted in the sacrifice of accurate representation of some local characteristics for the sake of consistency.

Mr. Fowler, however, said that the project had produced much information which could be used to improve local and regional forecasts.

The chief problems in the project arose from a computer programme which brought together information on traffic originating, and going into 3,600 different zones, or areas, within the country.

This work was of particular importance, as critics of local forecasting claim that it is not particularly good at assessing traffice crossing different zones.

The national programme was intended to assess the number of trips from each zone in the country to every other zone.

The Standing Advisory Committee on Trunk Road Assessment, which investigated the model, was however, never able to say why the system did not work.

BSC delays start of new coke ovens at Margam

BY ALAN PIKE

THE BRITISH STEEL Corporation has delayed commissioning of the £74m new coke ovens at Margam, South Wales, because of high levels of stock.

It is uncertain when the coke ovens, which it has taken three years to build, will be brought into operation. The surplus of coke, which reflects general demand in the steel industry, has increased because coke continued to be produced during the national steel strike.

BSC said yesterday that there was no question of the new Margam coke ovens being mothballed, and that the decision when to introduce them would be kept under regular review.

Another shot in the fight to save BSC's Consett, Co. Durham, works, from closure was fired yesterday with a 1,000-strong rally in the town.

Mr. James Callaghan, Leader of the Opposition, sent a message that the fight to save Consett had the support of the whole Parliamentary Labour Party; and Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, addressed a protest meeting.

Cadbury rallies support

BY ARTHUR SANDLES

MR. PETER CADBURY, who is fighting to regain the chairmanship of Westward Television, has begun the procedure for calling an extraordinary shareholders' meeting.

Two weeks ago, Mr. Cadbury and his deputy chairman, Lord Lisburne, were removed from office by the Westward Board.

Mr. Cadbury has been marshalling support from the company's 200,000 voting ("A" and "B") shareholders.

It seems he has enough signed commitments to carry the day.

Police pay rise of 21%

BY OUR LABOUR STAFF

PAY INCREASES of about 21 per cent have been agreed in principle for policemen up to the rank of chief inspector, together with those for superintendents and chief superintendents.

Pay rises for all these ranks are based on the Edmund-Davies formula giving increases related directly to the rise in the latest available average earnings figures prior to the September settlement date.

The interim figure for May was 21.1 per cent but the rises will be based on the final May figures which will be available in August.

Pay for ranks up to chief superintendent is negotiated within two committees of the Police Negotiating Board, the secretariat for which is provided by the Office of Manpower Economics.

Industrial dispute at Reuters

By Our Labour Staff

REUTERS management in London yesterday took over the work of journalists when the news agency was hit by industrial action in a dispute over blacked copy.

Members of the National Union of Journalists had stopped work to attend a mandatory chapel (union branch) meeting to protest at the suspension of five colleagues.

The suspensions followed the refusal of journalists to handle copy from the agency's American operation where a pay strike has been called by the Newspaper Guild of New York.

Three clerical workers were also suspended, after warnings, for refusing to handle what the journalists claimed was blacked copy.

The journalists were last night seeking intervention by national NUJ officers to solve the dispute.

They said yesterday they were calling for an explanation from management on why their five colleagues had been "treated differently from everybody else."

Mr. Les Dowd, chapel father (shop steward) said: "We are resolved to continue blacking North American copy."

● Observer machine minders will meet today to decide whether to accept a new peace formula aimed at solving the pay dispute which is threatening the paper's future.

The formula agreed on Thursday between management and national leaders of the National Graphical Association will be presented Acceptance is recommended by the union's leaders.

Shell wins management contest

SHELL UK OIL won the £2,000 national management championship on Thursday by a margin of only £40,000, the smallest recorded since the annual computer-based contest started in 1970.

Lord Trenchard, Minister of State for Industry, presented the prizes at Plaisterers' Hall to the winning team—Mr. A. F. Plumb; Mr. P. N. Snaith, Mr. R. G. Curry and Mr. R. F. Gray.

Shell took the championship by managing its "paper" consumer-durable company to a profit of £10.78m. Its prizes include the FT Rosebowl and an expenses-paid seminar at Management Centre Europe, Brussels. It will compete for the UK in the European Championship in Copenhagen in September.

The £1,000 second prize went to Rank Xerox UK, the £750 third prize to Samuel Montagu and the £500 fourth place to IMI (Eley).

● COAL CONTRACT: A. F. Budge (Contractors) has won a £35m contract from the National Coal Board to extract 2.3m tonnes of coal from an opencast coal site at Chevington, Northumberland.

The Retford, Notts, company will have to move over 160,000 cubic metres of overburden a week to extract a weekly output of 7,500 tonnes of coal. The contract is for seven years.

This will be the sixth NCB opencast site currently being worked by Budge. The NCB's opencast production now stands at about 13m tonnes a year but the Board aims to reach 15m tonnes by 1985.

● YACHTS CONFUSION: Trade Minister, Mr. Norman Tebbit, is to try to clear up confusion over the regulations British yachtsmen entering French waters will face next year.

The French have given notice to Britain and other countries that from the end of this year all vessels over 15-gross tons will have to be registered.

● INNOVATION SUPPORT: Sir Monty Finniston, former BSC chief, criticised the banks and the City yesterday for not doing more to support innovation in industry.

"The banks made £1,200m profit last year. Surely they could have put at least 1 per cent, £12m, into supporting new ventures.

"It is far better than putting money into old master paintings. That does nothing for anybody, not even the old master," he said.

● LICENSING COST: Total cost of the Swansea Vehicle Licensing Centre since its launching in 1968 is £433m Mr. Norman Fowler, Transport Minister, said in the Commons yesterday.

● "BIGOTS" ATTACKED: Local Government Minister Mr. Tom King has condemned the decision by Labour-controlled Walsall Council to refuse jobs to Conservatives.

Calling the plan a political witch-hunt, he said: "These Socialist bigots are arrogantly building up a system of patronage, which will provide jobs for the boys. . ."

Plans for Biggin Hill airport abandoned

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PLANS BY Bromley Council, in Kent, to develop the Biggin Hill Battle of Britain fighter base into a major business and executive airport for London and the South-East have had to be abandoned, because of objections from the Civil Aviation Authority's National Air Traffic Services (NATS).

The airfield has been used extensively for private and club flying in recent years.

A statement by the council yesterday said that NATS had told it that immediate access to the airways for aircraft using Biggin Hill can no longer be guaranteed, and that even if "slots" in the air traffic system were available, they would be controlled by Gatwick Airport at an annual fee of £150,000.

The NATS decisions are due to the expanding volume of airliner traffic to and from nearby Gatwick Airport, now handling 115,000 aircraft movements and 8.7m passengers a year.

Mr. Simon Randall, leader of Bromley Council, said yesterday that this information from NATS only reached the Council within the past few days.

"Although we were confident that our plans would have met our vital environmental and financial criteria, this information now affects the viability of Bromley Council's proposals, not only discouraging the kind of new, profitable and quieter business traffic we were seeking, but also imposing an iniquitous annual burden of £150,000.

"We are simply not prepared to impose this additional burden on our borough's ratepayers."

Mr. Randall added that the present Government, which had supported Biggin Hill as the major general aviation airport for the London area, had not been aware of the NATS objections.

This setback, did not however, alter the fact that Bromley Council had a legal obligation to maintain Biggin Hill as an airfield until 1995.

"Neither does it change the Council's determination to continue to protect and improve the environment and minimise the financial burden of achieving this. However, it is clear that any future at Biggin Hill will be on a much more modest scale than previously envisaged."

CAA orders precautions at Tenerife airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK Civil Aviation Authority has invited the Spanish Government to discuss changes in air traffic control arrangements for Los Rodeos Airport, Tenerife, following the accident which destroyed a Dan-Air 727 airliner earlier this summer on its approach to the airport.

The Authority has instructed all UK airlines using the airport to amend their flight procedures, so as not to fly below certain heights at certain points on the approach to the airport.

This advice is certain to further strain the relations between the Spanish and UK civil aviation authorities, which have not been good since the Dan-Air disaster.

The CAA has openly expressed doubts about the air traffic control arrangements at Tenerife airport.

● The Viscount airliner of Alidair which ran out of fuel and crashed while approaching Exeter airport on July 17 may have suffered from faulty fuel gauges.

A preliminary report from the Accident Investigation Branch of the Department of Trade yesterday said although 600 gallons of fuel was put aboard the Viscount at Santander, Spain, during the flight to Exeter the crew noticed erratic fuel gauge readings. They were quite unaware that the aircraft was low on fuel at the stage.

Health Commission will fight new staff cut

BY IVOR OWEN

IF THE GOVERNMENT seeks to cut the staff of the Health and Safety Commission by a further 8 per cent it will face the united opposition of representatives of the TUC and the CBI, Mr. John Grant, a Labour spokesman on employment, said in the Commons yesterday.

He blamed the attitude adopted by Ministers in their "desperate search" for new ways of cutting public expenditure in the "crisis" between the commission and the Government.

A "scandalous situation" had arisen, said Mr. Grant, with a possibility of the industrial health and safety programme being put at risk by the "sheer blinkered irresponsibility of the Government."

He described the stand by the commission, which includes three representatives of the TUC and three of the CBI, as "tantamount to a rebellion" against "the Government's wrecking tactics."

Mr. Grant said that the commission told the Government that a further 8 per cent reduction in the size of the commission staff would call in question its ability to fulfil its statutory obligations.

It had already been required to reduce staff to 10 per cent below the level last autumn.

"I understand that the commission has now told the Government that it cannot accept responsibility for making this further 8 per cent cut, and if Ministers persist they must decide for themselves where to wield the axe, and jus[illegible] parts must be chopped[illegible]

In other words, [illegible] Grant, the commiss[illegible] the Government [illegible]s up. dirty work."

Mr. Patrick [illegible] Secretary for E[illegible] that all the G[illegible] done was to ask [illegible] what effect a fu[illegible] cut in its staff [illegible]

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80.

Reinsurance case to be heard in U.S., court rules

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

TEN LLOYD'S syndicates and 18 UK and foreign insurance companies, in dispute with an American insurance company over reinsurance transactions, must fight the case at an arbitration in the U.S. and not in the English courts, a High Court judge ruled yesterday.

Mr. Justice Lloyd set aside two writs against National Indemnity Company (NICO) of Omaha, Nebraska, but gave the syndicates and their co-plaintiffs leave to challenge his ruling in the Court of Appeal.

The writs claimed reimbursement of sums paid under two Quota Share Reinsurance Treaties, said to total about $11m (£4.62m). They also sought declarations that the plaintiffs were entitled to rescind the treaties on the ground of non-disclosure; that the treaties had been rescinded; and that they had been void from the outset.

The judge, who gave no details of the transactions in dispute, said that NICO acted as the "fronting company" for certain general aviation insurance business written by Omni Aviation Managers, of California. The business was reinsured on the London market through Chandler Hargreaves Whittall and Co.

The disputed treaties each contained a clause providing for arbitration in accordance with the rules of the American Arbitration Association, and in January NICO claimed arbitration on the ground that the plaintiffs had failed to settle losses due under the treaties.

Last month a court in Nebraska rejected contentions by the plaintiffs that the validity of the treaties was governed by English law, and that the arbitration should await an English court decision on whether the dispute was properly the subject of arbitration.

Mr. Justice Lloyd said that, even if English law applied to the treaties, it was clear the parties had chosen to submit their disputes to American arbitration.

That, and questions of convenience, were strong reasons for refusing leave for the writs to be served on NICO out of the English jurisdiction.

He added that there were adequate post-arbitration remedies available to the plaintiffs in the U.S. courts.

The Lloyd's syndicates concerned are numbers 173, 295, 950, 960, 103, 302, 899, 896, 256 and 244.

The remaining plaintiffs are: Norwich Union Fire Insurance Society, London and Hull Maritime Insurance Company, Mentor Insurance Company (UK), Trident General Insurance Company, Chiyoda Fire Insurance Company, Insurance Corporation of Ireland, River Thames Insurance Company, Fenton Insurance Company, Ranger Insurance Company, Yasuda Fire and Marine Insurance Company, Nichido Fire and Marine Insurance Company, The Highlands Insurance Company, London and Edinburgh Insurance Company, American Home Assurance Company, Bishopsgate Insurance Company, British National Life Insurance Society, Terra Nova Insurance Company and Aviabel Compagnie Belge D'Assurances Aviation.

Increase in numb[illegible] tourists visiting B[illegible]

BY JAMES McDONALD

ABOUT 4.24m overseas tourists came to Britain in the first five months of this year—a 6 per cent increase on the same period of last year. They spent 20 per cent more at £96[illegible]n, but that increase corresponds roughly with the rate of inflation over the period.

Visits abroad by UK residents in the five-month period were 19 per cent higher than a year before at 5.58m and the[illegible] speeding was up by abo[illegible] per cent at £799m. The [illegible]

still a fav[illegible] Britain on [illegible] £161m. B[illegible] the £212m [illegible] period of [illegible]

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THE WEEK IN THE MARKETS

Davy takes the strain

LONDON

ONLOOKER

SHARE PRICES have been drifting gently down in the sunshine this week, and dawn raiders—real or imagined—have provided just about the only excitement on Throgmorton Street. A significant interest in Mallinson Denny, the leading timber company, was picked up by Brooke Bond on Wednesday morning in less time than it takes to read the front page of the Financial Times. And on Thursday morning the story was that Turner and Newall was about to become the first constituent of the FT 30-Share Index to suffer this indignity.

In the event, no raider appeared. But the fact that such a move seemed possible says something about the present speculative mood of the market.

The other main feature has been continuing uncertainty about the energy stocks, which played such a big part in keeping the bulls happy earlier this year. Shares like LASMO, Tricentrol and Imperial Continental Gas have been active and weak, and some former oil favourites now stand a fifth or more below their high point for the year.

Davy squeezed

Times are hard in international process plant contracting—high capacity is faced with a declining workload, and companies are being forced to accept contracts on slimmer margins than they would like in order to keep their overheads covered.

The damage shows through clearly in Davy Corporation's figures—pre-tax profits are down from £26.1m to £15.9m in the year to March. Even adding back around £5m for losses caused by the UK engineering strike and an exceptional provision at the group's Texan subsidiary, there is a major decline. And Davy has felt able to do no more than maintain the dividend at 6.7p per share for the year, although current cost cover is still nearly 1½ times.

The squeeze on margins seems to be operating through lower cash flow benefits from contracts—it is getting harder for a contractor to winkle hefty advance payments out of a client. However, Davy has managed to keep payments on account of work done running at a high level, and its March 31 balance sheet shows a £5m increase to £70m in net liquid assets.

There is clearly a good deal to be earned on this sort of sum while interest rates are high, and while it is not quite fair to separate interest receivable from the main body of contracting earnings, it does point up the low margins being earned elsewhere.

Interest payable on the long-term debt is also higher, of course, but that is entirely covered by the earnings from McKee, the 1978 acquisition for which Davy took the loans on in the first place. McKee looks to be going well—at least, the group's US order book is well up, in contrast to the position of the UK-based companies (which actually do very little of their work in the UK).

Davy should benefit over the next few years from the upsurge in activity—particularly in the U.S.—in energy-related plant. But the current year is likely to be tough: the UK manufacturing businesses will probably make losses again, and much will depend on the ability of the corporate treasurer in this group with net tangible assets of £54m to manipulate a pile of current assets and current liabilities each of the order of £900m.

Oil rush

"And thick and fast they came at last, and more and more and more,
All hopping through the frothy waves and scrambling to the shore."

Lewis Carroll's description of the oysters seems appropriate to the succession of North Sea oil companies which have been coming onshore for funds.

This week, Charterhouse has floated off 51 per cent of its oil subsidiary and the Scottish Fishermen's Petroleum Company has decided to pass the hat round among the trawler fleet.

With Seventh Round allotments now approaching, the need for companies to stock up with cash is intensifying. The main cause for concern is the way in which investors seem willing to snap up any energy-related venture which is presented to them. An exploration company called Marinex raised £8.6m earlier this month by selling 20 per cent of its share capital.

The issue, which was at least one and a half times over-subscribed, valued the whole company at £43.2m. The basis for the offer was Marinex's 14 per cent interest in the Humbly Grove on-shore field where reserves of oil have been discovered.

The company has virtually no other major asset and yet is capitalised at almost the same level as Candecca, which owns 25 per cent of Humbly Grove.

This appears to indicate that the market is failing to differentiate adequately between secondary oil companies. The Charterhouse offer may provide more evidence of this. The shares are being offered by tender at a minimum price of 65p, which values the whole company at £52m—only 20 per cent more than Marinex.

Yet Charterhouse Petroleum has a 2.3 per cent producing interest in Thistle (worth £30m even by conservative estimates), £20m cash, interesting exploration licences and good chances in the Seventh Round. It also makes profits and pays dividends. The market's investment criteria warrant careful scrutiny if its shares fail to find a substantial premium.

Dowty shines

In the languishing engineering sector, the Dowty Group is one of the few shining stars—sharing a rating with some of the more glamorous electrical stocks. This is because, like the electricals, it has a heavy involvement in defence and aerospace, one of the rare growth sectors, together with telecommunications, in the world economy.

While Dowty has no interest in telecommunications, mining engineering, the second major leg of its business, has until recently been just as lucrative, and promises to become so again over the next few years.

Last year, however, £60m of a giant £80m mining equipment order from the Chinese went through the books and, with earlier hopes of a pick-up in National Coal Board orders failing to materialise, the group has resigned itself to a downturn in its mining business in the current year.

While profits rose a healthy 21½ per cent at the pre-tax level last year, there was a significant squeeze on margins, particularly in aerospace and defence. Trading margins here have slipped by 3 percentage points, not helped by a jump of a third in overseas sales as the pound strengthened and labour costs rose by 21 per cent.

Nevertheless, orders in this part of the business have increased by 50 per cent over the last year, with a large part of the rise due to the Tornado Aircraft programme gearing up to full production.

So in spite of the mining downturn, there should be a small further improvement in profits this year, and subsequently the prospects remain bright.

Eurotherm dives

Eurotherm's glittering stock market run came to an abrupt end this week when the company announced interim pre-tax profits £220,000 lower at £930,000. Added to the forecast of an unchanged second half result, the figures sent the shares crashing from 380p to 290p by the end of the week.

All things are relative, however, and assuming a similar tax charge for the rest of the year the prospective p/e of 17.5 is still discounting plenty of growth to come.

Eurotherm's first half troubles were basically threefold—a factory move, which disrupted production more seriously than observers expected; problems in France, which have now been solved by selling off the offending interest there; and the strong pound, which has taken its toll on the 55-60 per cent of group sales which are made outside the UK.

The question now is how quickly Eurotherm's second generation of sophisticated microprocessor-based products can get the company on to a strong growth tack. Much of the development spending is already out of the way but it is clearly not proving all that easy to get the systems into the market.

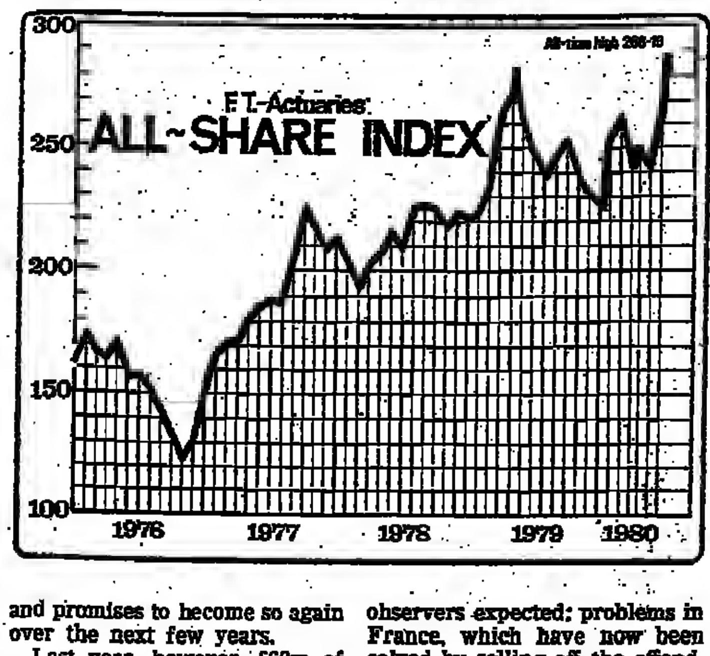
Orders for the well established 101 Recorder, for example, are still so strong that they appear to be holding back the more advanced Recorder 103. As a result margins—which tend to widen on technologically more sophisticated products—are not what they might be.

Contrary to the group's own expectations, the recession has not been seriously felt on either side of the Atlantic. The order book overall, for example, is up 25 per cent, though in the UK there are signs that some customers are deferring purchases into next year.

In the U.S., demand is still high but unfortunately for Eurotherm has shifted primarily to products imported from the UK, and therefore vulnerable to the strong pound. The idea in future is to increase local manufacturing and switch sourcing to U.S. components.

Short-term punters, egged on by some over optimistic City forecasts, will no doubt have sore fingers this weekend. But it is well to remember that those who bought Eurotherm shares at the time of the offer for sale have still almost trebled their money.

The going is bound to get harder and the competition tougher but the fairy tale is not yet over.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	487.3	−10.0	503.1	406.9	Profit-taking
F.T. Gold Mines Index	383.6	+28.1	383.6	265.5	Sharply higher profits
Aeronautical & General	335	+83	335	212	Rise in bullion price
Bond St. Fabrics	27	− 9	36	24	Proposed Board changes rejected
British & Commonwealth	338	−39	377	276	Chairman on gloomy outlook
Cope Sportswear	16	− 7	39	16	Auditors qualify accounts
Dowty	223	−36	259	148	Gloomy outlook/disptg. profits
Eurotherm	290	−79	380	268	Disappointing interim results
Gough Cooper	100	+23	100	62	Starwest Inv. buys 29.5% stake
Hensher (Furniture)	106	+20	106	57	Agreed bid from Tebbitt
Higgs & Hill	90	+27	96	45	BICC bid approach
Impala Platinum	340	+66	358	240	Favourable Press comment
Initial Services	174	+24	174	107	Good results
Mallinson-Denny	69	+ 7½	80½	44	Brooke Bond buys 20% stake
Metal Box	286	−28	318	226	Disappointing start to year
Mount Lyell	96	+ 8	155	60	Return to dividend list
Neepsend	35	− 7½	47	35	Profits warning
North West Mining	138	−46	184	24	Reaction to Woodada 2 report
Strata Oil	128	−36	164	12	Reaction to Woodada 2 report
Turner & Newall	131	+12	142	90	Bid speculation

Now a hangover

NEW YORK

JAN HARGREAVES

AS THE last splinters from the Republican Party's platform in Detroit were shovelled away from the Joe Louis arena this week, that unfortunate city returned to a more normal economic diet — unrelieved gloom on the mid-June car sales figures and the unsurprising news that General Motors made the biggest quarterly loss in its history.

The after-the-beanfeast atmosphere also spilled into Wall Street, which started the week pressing on to new three-year highs and apparently confident of maintaining its "Reagan rally," but which spluttered in midweek and ended the week looking decidedly tired.

Not much happened to change the market's fundamental perception of the future of American business, but there was a steady drizzle of developments which collectively added up to uncertainty rather than confirmation of what the market would most like to believe.

Wall Street's dream is of Mr. Reagan taking over the White House with a reasonably stable 10 to 11 per cent rate of inflation, a recently ended recession and the determination to offer an immediate business-oriented tax cut.

One thing which happened to reassure the market this week was the renewed public interest in Billy Carter's absurd behaviour with respect to the Government of Libya, which everyone assumes will hurt the President politically and which has certainly distracted attention from Mr. Reagan's stumbling in the dark over Mr. Gerald Ford.

But the rest of the news was not so good. There was really no news one way or the other to support the theory that the economy is on the move upwards again. But some economists, puzzling over the appearance of Mr. Paul Volcker, the Fed chairman, before Congress this week and his refusal to talk about the Fed's targets for monetary growth, believe that Mr. Volcker was confirming that the Fed is again paying more attention to interest rates than to money supply and that its attention is focused upon preventing rates from going down any further.

This is interpretation, but there is no question that short term rates in the last four weeks have kicked upwards a couple of percentage points, a fact which is disguised from the public perception by the fact that the prime lending rate, which lags behind other rates, is still falling.

The prime came down again this week and probably helped stocks on Monday, but there has not been any real change in underlying interest rates in the U.S. this week, partly because of the Fed.

The Fed, in turn, is worried about the continued weakening of the dollar and about inflation.

The news this week on inflation was that consumer prices in June went up by 1 per cent, which is a whisker higher than the April and May rises. The whisker is probably explained by erratic effects of mortgage rates, but it wadded to the note of caution.

Surrounded by these various political and economic juggling acts, the market shows no sign of reneging on its basically optimistic view about the future, although it is inspecting the flow of company results now flooding in with the assiduity of a government anti-pollution inspector. The ups and downs of the results so far have not really encouraged the market either to take its rally further or to run in fright.

In general, the results look a little better than might have been expected in a quarter which produced the biggest drop in U.S. Gross National Product since the war. The motor companies are as horrific as expected, the oils, with the exception of Exxon, which was hurt in the foreign exchanges, have been a little better than many forecasts, and a number of centre ground companies, like Xerox, have continued to produce records, albeit records handily assisted by the forces of inflation.

On the takeover front, there was not much encouragement. City Investing, after looking long and hard at an improved $1.2bn offer from Tamco Enterprises, said "No" again, but at least profited from the required soul searching sufficiently to discover that it does possess $200m of assets which it would be better off without.

MONDAY	928.67	+4.69
TUESDAY	927.30	−1.37
WEDNESDAY	925.58	+1.28
THURSDAY	926.11	−2.47

So far, so good

MINING

GEORGE MILLING-STANLEY

THE NORTH American quarterly reporting season is once again upon us, and first impressions suggest that the results of the leading mining and metals companies are holding up well in comparison with most other sectors of industry in the face of the worldwide economic downturn.

Three of the major groups—Phelps Dodge and Asarco of the U.S. and Canada's Inco—went on record earlier this month with dire warnings of substantially lower second quarter profits, and only Amax among the transatlantic natural resources majors demonstrated anything like confidence in advance of the figures.

As it turns out, this week's second quarter and first half results from Amax bore out the management's earlier confidence.

Net profits for the first half emerged 68 per cent ahead of the comparable figure for last year, when the company went on to achieve record net profits of £365.4m for the full year. The performance over the first six months means that Amax is in a good position to withstand a flatter second half as a result of the recession, and still produce a new record for net profits over the year as a whole.

Concentration on a narrow range of products is all very well when times are good and demand for one's specialities is strong, but Amax has proved once again that a wide spread of interests is the best possible protection when recession looms.

Sensibly, the company has confined its diversification moves to areas compatible with its existing range and where its experience can be made to count.

The copper interests may be suffering at the moment because of the strike in the industry, but the oil, gas and especially coal operations are performing well, and Amax remains the world leader in molybdenum production.

Standard Oil of Indiana (Amoco) this week joined the growing list of other companies getting in on the molybdenum act (see map), but Amax is going to remain the leading beneficiary of the continued high demand for the "space-age metal" for some time to come.

Another company to do well during the first half of the year was Engelhard Minerals and Chemicals of the U.S., which is linked with South Africa's Anglo American Corporation through the 29 per cent Engelhard held by Anglo's 32 per cent-owned Minorco. Engelhard's second quarter net profits jumped by 136 per cent to leave the company 163 per cent ahead after the first six months.

This sparkling performance was mainly attributable to the Philipp Brothers industrial raw materials marketing division, which benefited from wider profit margins as a result of the recent volatility of commodity prices. The company's precious metals operations also turned in improved results.

Canada's Noranda Mines saw net profits rise by one-third in the first half, but the company warned that last year's record earnings per share of C$4.85 were unlikely to be equalled. Recession is not the problem here, however. Noranda's caution over the remainder of the year is founded on still unresolved labour and equipment problems at two of its operations. Other North American metals companies reporting improved results for the first half of the year included Cominco, Denison Mines, Canada Tungsten Mining and the newly-renamed Corporation Falconbridge Copper, all of Canada.

The major exception to this comparatively rosy picture is Canada's Inco, the world leader in nickel production.

Three weeks ago, Inco said it expected second quarter earnings to be less than half of the first quarter's U.S.$97.5m, and the actual figure of $46.1m is in line with expectations. The company attributed the decline to reduced sales of both nickel and its other major products, copper, and lower prices for the latter added to Inco's woes.

The company's diversification moves have not proved as successful as those of Amax, and Inco's Electro-Energy battery and electric motor division suffered an operating loss as the U.S. motor industry contracted.

Finished nickel stocks at the end of June totalled 104m lbs, unchanged from the same date last year and within what the management says is the normal range of between 100m and 120m lbs. Nevertheless, Inco has prudently introduced measures to cut production and is contemplating further action to bring its supplies into line with projected demand.

Deliveries were down by just over 10 per cent for both the second quarter and first six months compared with the same periods of last year, and Inco is clearly expecting that the downturn in business activity will continue, causing customers to reduce their own stocks ever further.

First quarter net profits of Phelps Dodge were down by about one-third as a result of rising costs and the decline in the U.S. housing and motor industries.

Major Molybdenum Deposits in North America

Dawn raids . . . and why they should be checked

BY RICHARD LAMBERT

ONCE IN a while, the City behaves in a way that delights its enemies. This is just such a time. The recent series of market raids on companies' shares, whereby a single buyer has picked up a substantial block of a company's equity within a matter of minutes, has shown the Stock Exchange and the investing institutions in their most unattractive light.

Unless this practice is checked voluntarily, the chances are that sooner or later it will be banned by legislation. That, in turn, could have widespread repercussions on the freedom and efficiency of the capital market.

In the last few days, raids have been mounted on Petrocon, Mallinson-Denny, Gough Cooper, British Printing and Pritchard Services.

The technique is simple. The buyer instructs a broker, usually one of the big firms, to buy a large block of shares in the intended victim at a good premium over the recent market price. Up to 30 per cent of a company's shares can be bought without triggering a mandatory bid for all the shares under the Takeover Code.

The broking firm then tells those jobbers which deal in the stock what is about to happen, and makes a general announcement of its plans at 9.30 am, when the market officially opens. The buying starts, and the whole thing can usually be sewn up within half an hour.

The broker counts his commission, his clients work out their capital gains, and loud is the joy among those jobbers that have sold short—that is, sold shares which they did not own at the raider's high price in the knowledge that they will be able to cover themselves at a lower price once the raid has been completed.

The share price then falls, and the management of the company which has been raided learns that it has acquired a powerful new shareholder, without being given any chance to express its views on the matter. The next day, the general body of its shareholders reads in the papers of the opportunity for quick profit which has been extended to the favoured few.

There are two main objections to these raids. The most obvious is that they give one group of shareholders the chance to sell their entire holding on significantly more favourable terms than are available to all the rest.

The usual answer to this complaint is that in any free market those investors who are closest to the action and have the most attractive package to offer can expect to get the best terms. This must be true, up to a point. But these raids are now occurring practically every day, and in some cases substantial sums of money—equivalent to what might be involved in a full blooded takeover bid—are changing hands.

The Stock Exchange's report on the treatment meted out earlier this year to Consolidated Gold Fields by De Beers noted smugly that the UK market was regarded as highly efficient in the technical sense. The dawn raisers were simply taking advantage of this free market, it said.

Yet the definition of an efficient market is one in which everyone gets the same information at the same time. Some of the scenes in the last few weeks—with jobbers selling short, and brokers scrabbling around the floor of the Exchange—have been more like something out of the Wild West.

Company law and the Stock Exchange listing requirements are designed to give early warning signs when a stake is being built up in a company. It is obviously desirable that shareholders and management should know what is happening, and be given the chance to react. This cannot happen in a dawn raid.

The second and even more fundamental objection to these raids lies in the attitude of institutional investors. Ownership of a company involves responsibilities as well as rights—to its management, employees, customers and creditors.

But those institutions which are selling out often seem to have no concern for the long term interests of the business. They are willing to accommodate anyone who is prepared to offer them a few pennies more than the recent stock market price.

The institutions satisfy their collective conscience by arguing that a share raid is not the same as an outright bid. The definition of effective control is laid down in the Takeover Code at 30 per cent, and provided that figure is not exceeded, they say, there is nothing to worry about.

In reality, of course, 30 per cent is a wholly arbitrary figure. The line had to be drawn somewhere. In some cases, effective control can be exercised with a good deal less than this figure. In most cases, the wishes of a shareholder with a near-30 per cent holding in a company have to be taken very seriously indeed by the management concerned.

Try asking House of Fraser whether it thinks that the fact that Lonrho owns 29.9 per cent of its shares is a matter for indifference.

Moreover, institutions can also be swayed by strictly short term considerations when it is a matter of an all out bid. This week, the Kuwait Investment Office said it would pay 250p per share—and no more—for the two-thirds of the shares in Hay's Wharf which it did not already own.

Hay's Wharf said it was an unsatisfactory offer, and promised full supporting details—including a property revaluation. But the institutions didn't wait to hear the management's case. They didn't even wait for the formal offer.

The thought that their shares might slip 10p, 20p—maybe even 30p if the bid did not go through was enough to make them sell out in the market. In next to no time, the Kuwaitis had control.

Why do the institutions behave this way? Anecdotal evidence strongly suggests that it is the pension funds who are most trigger happy, and they have got money coming out of their ears. In the first quarter of this year they had to find a home for nearly £1.4bn of new cash, so it is not as if they have to scrape around to finance attractive new investments.

The worrying explanation seems to be that pension funds are getting more and more concerned with short term performance. They have certainly become more active traders of securities. Evidence produced in the Wilson report indicated that between 1973 and 1977, the average period for which shares were held by pension funds was six years. A decade earlier, the average was 24 years.

Pension fund management is a growth business, and short term performance has become an important marketing weapon. This is in spite of the fact that the whole purpose of a pension fund is to generate a satisfactory return over the very long term.

The trouble is that high returns in the short term necessarily involve a high degree of risk-taking, as the gunslingers learnt in the early 1970s. There would be real cause for concern if the pension funds, with their vastly greater economic power, started off down this road.

The Stock Exchange, to judge by its lame response to the Gold Fields affair, is not going to impede the raiders. It has attempted to lay down a code of conduct for such occasions—what a cynic might describe as a rapist's charter.

The responsibility lies with the fund managers themselves, and particularly with their trustees. If they want to retain the powers to invest their funds where and when they like, they must be prepared to accept a greater degree of responsibility towards the companies in which they are becoming increasingly powerful shareholders.

BASE LENDING RATES

A.B.N. Bank	16 %
Allied Irish Bank	16 %
American Express Bk.	16 %
Amro Bank	16 %
Henry Ansbacher	16 %
A P Bank Ltd.	16 %
■ Arbuthnot Latham	16 %
Associates Cap. Corp.	16 %
Banco de Bilbao	16 %
Bank of Credit & Cmce.	16 %
Bank of Cyprus	16 %
Bank of N.S.W.	16 %
Banque Belge Ltd.	16 %
Banque du Rhone et de la Tamise S.A.	16½%
Barclays Bank	16 %
Bremar Holdings Ltd.	17 %
Brit. Bank of Mid. East	16 %
■ Brown Shipley	16 %
Canada Perm't Trust	17 %
Cayzer Ltd.	16 %
Cedar Holdings	17 %
■ Charterhouse Japhet	16 %
Choulartons	17 %
C. E. Coates	16 %
Consolidated Credits	17 %
Co-operative Bank	*16 %
Corinthian Secs.	16 %
The Cyprus Popular Bk.	16 %
Duncan Lawrie	16 %
Eagil Trust	16 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	19½%
First Nat. Secs. Ltd.	19 %
Robert Fraser	16 %
Antony Gibbs	16 %
Greyhound Guaranty	16 %
Grindlays Bank	†16 %
■ Guinness Mahon	16 %
■ Hambros Bank	16 %
■ Hill Samuel	§16 %
C. Hoare & Co.	†16 %
Hongkong & Shanghai	16 %
Industrial Bk. of Scot.	17½%
Keyser Ullmann	16 %
Knowsley & Co. Ltd.	18 %
Langris Trust Ltd.	16 %
Lloyds Bank	16 %
Edward Manson & Co.	17 %
Midland Bank	16 %
■ Samuel Montagu	16 %
■ Morgan Grenfell	16 %
National Westminster	16 %
Norwich General Trust	16 %
P. S. Refson & Co.	16 %
Rossminster	16 %
Ryl. Bk. Canada (Ldn.)	16 %
Schlesinger Limited	16 %
E. S. Schwab	16 %
Security Trust Co. Ltd.	17 %
Standard Chartered	16 %
Trade Dev. Bank	16 %
Trustee Savings Bank	16 %
Twentieth Century Bk.	16 %
United Bank of Kuwait	16 %
Whiteaway Laidlaw	16½%
Williams & Glyn's	16 %
Wintrust Secs. Ltd.	16 %
Yorkshire Bank	16 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14½%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14½% and over £25,000 14¾%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at savings-related share option schemes

Cashing in on your own company's success

IF YOU are an employee or director looking for a good share tip in the next few months, take a look first at your own company.

Details of the Government's plan to encourage savings-related share option schemes are now emerging—and the terms seem so attractive that even a cynic with little or no faith in his firm's future is likely to be attracted.

Share option schemes in principle are in any case easy to understand and risk free for those involved. Take the case, for example, of the mythical Aunt Sally Enterprises, a quoted company with shares standing at 50p in the market. The directors, an enlightened and generous lot by all accounts, decide next week to grant themselves and their employees the right (the "option") to buy 1,000 Aunt Sally shares at a price of 50p any time after July 31, 1985.

If the market value of the shares subsequently moves up to 100p, the lucky directors and employees get a splendid bargain: if, on the other hand, Aunt Sally gets into difficulties, the shares slip below 50p and the five years are up, they are under no obligation to exercise their option.

The Government's latest plans, which are enshrined in the Finance Bill currently nearing the end of its journey through Parliament, fall into two main parts:

Employees and directors will in future be exempted from income tax which would normally arise on receipt of options below the prevailing market value of the shares.

Participants will have to save to buy the shares offered to them through a new Save As You Earn contract, terms of which will be more generous than the 19th issue National Savings certificate. Given that the proceeds do not have to be used to purchase the shares, the contract will surely rate as one of the most generous available.

First public indications that Mrs. Thatcher's Government was committed to share option schemes came from Sir Geoffrey Howe, Chancellor of the Exchequer in his Budget speech. The idea, however, is not new as those who remember the "top hat" schemes of the late 1960s and the Barber experiment of 1973 will remember. The latter was scrapped almost immediately by the Labour Government after Mr. Heath's defeat in the 1974 election.

The new share option scheme is essentially a revival of the short-lived Barber plan. With the Tories assured of at least another four years in power, it seems likely that many more than the handful of companies which took advantage of the 1973 legislation will cash in this time.

Confirmation of the important income tax relief proposal came in April when the Finance Bill was first published. But it was only recently that the Government announced the terms of the new SAYE contract.

This will be available through building societies and the Department for National Savings. The maximum monthly contract will be set at £50. Returns will be linked to contributions, so that at the end of five years bonuses will be paid equivalent to 18 monthly contributions, or 36 at the end of seven years.

This represents a compound annual rate of 10.4 per cent over five years, fractionally better than the 10.33 per cent tax free available from the 19th issue, and 10.6 per cent over seven years.

Contracts cashed in between years five and seven will get the five-year bonus plus interest on this bonus of 8 per cent, while contracts terminated before the end of year five but after year one will attract interest on the contributions of 8 per cent. The incentive therefore is to stay the course.

An amendment to the Report Stage of the Finance Bill will enable individuals with existing SAYE contracts to use the proceeds for exercising share options. Tax relief, however, will only be granted up to the value of what would accrue under the new issue. In the case of the maximum £50 a month contribution this will amount to £3,900 after five years and £6,000 after seven years.

With the ink hardly dry on the Government's proposals, no company has yet come forward with a scheme for approval. To win the support of the Inland Revenue schemes will have to be open to all those full-time employees who have been employed for five years or more. The shares must be part of the ordinary share capital of the employing company and must be fully paid up, not redeemable and not subject to any special restrictions.

Sir Kenneth Cork
Keeping silent

Axeing the axeman

FOR MOST people, the Official Receiver is a financial bogeyman. He winds up the affairs of those catapulted into irretrievable debt by their own carelessness, bad luck, or fraud.

But the Government proposes to abolish him, at least for cases of personal bankruptcy, and hand the whole business over to the private sector at an estimated saving of £3m a year.

Its plan to take a well-sharpened knife to the insolvency service of the Department of Trade, reducing its staff by nearly 600 people, met with initial resentment from the accounting profession, civil servants, and the Labour opposition.

By going against the recommendations of Sir Kenneth Cork's Insolvency Law Review

BANKRUPTCY
ANDREW FISHER

Committee, the Government is hardly likely to have earned itself much praise from that quarter either.

In practice, the Government's proposals—presented in a consultative Green Paper this week—will reduce the number of Official Receivers from 32 to around eight, who will then concentrate on the mounting problem of corporate insolvencies.

The Official Receiver, an employee of the Department of Trade, is appointed under present law in every bankruptcy case. He then arranges for the debtor to submit a statement of affairs and chairs a first meeting of creditors.

Having finished his probe of the unfortunate debtor's affairs, he holds a public examination in court, also acting as trustee if no-one else is decided on by the creditors.

Under the new procedure to be incorporated into a Bill for the 1981/82 parliamentary session, the Official Receiver will be out of the picture altogether. Instead, the work will be handled by accountants or solicitors in private practice.

There will be no first meeting of creditors and few public examinations, a change described as a "retrograde step" by one bankruptcy expert, and the receivers' initial costs of £300 or so would be paid by the person making the bankruptcy petition.

Sir Kenneth Cork and his committee have kept silent about the Government's proposals. But Mr. Stanley Clinton Davis, Labour spokesman on company and trade affairs, said bluntly: "The Government should withdraw the Green Paper, carefully examine the interim proposals of the Cork Committee and, above all, think again and again and yet again so as to recover from this appalling start."

The committee, set up by the last Government to look at the whole creaking machinery of insolvencies, recommended in an interim report which was also published this week that the small man be removed from the rigours of bankruptcy.

But its ideas about how to do this have been rejected by the Government as too costly.

Playing safe

HOW MUCH interest did you have to earn in the last five years just to keep pace with inflation?

Those who took out the first contracts of the Government's Save As You Earn index linked third issue have just found out. Anyone who put in the maximum £20 a month (total £1,200 over five years) will soon be receiving £1,735.08p, equivalent to an annual compound rate of 14.7 per cent for non taxpayers.

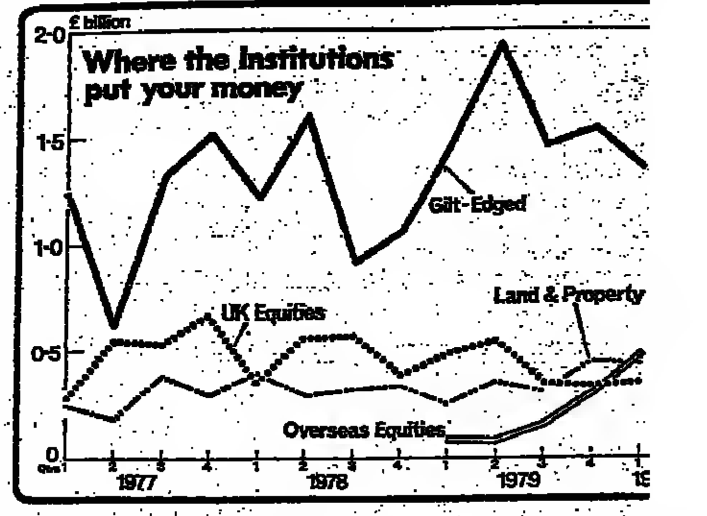
For someone paying 60 per cent tax this is equivalent to a virtually unbeatable 36.7 per cent, and for someone on the basic rate it is still an impressive 21 per cent.

High risk investments, of course, have done and will continue to beat inflation. But even if the pace of price increases slows down the SAYE third issue still offers a good home for those who want to play it safe.

T.D.

Where the money mountain goes . . .

THE POWER of the institutions means different things to different people—depending on whether you are the Wilson Committee or a commission-hungry stockbroker. What above all it means is a rising mountain of money constantly having to be invested.



Official figures last Thursday showed that the net inflow into non-bank financial institutions—building societies, life assurance companies, pension funds, unit trusts and trustee savings banks—amounted to £3.9bn in the first three months of this year.

Almost all the building society money went directly into mortgages for house purchase. But if this is excluded, roughly half the rest was gobbled up by the Government because of its insatiable need for the sales of gilt-edged stocks to finance its borrowing needs.

The most intriguing feature recently has been what has happened to the rest of the money. A lot has continued to be invested in commercial property but there has been a marked increase in the proportion going overseas.

The abolition of exchange controls last October meant that UK residents were free to put their money where they wished. The result has been a sharp rise in purchases of overseas company securities.

In the first three months of this year buying of overseas equities amounted to £500m and dwarfed purchases of UK company securities of £298m in the period.

Indeed, the long-term investing institutions—the pension funds and life assurance companies—devoted over 13 per cent of their income to purchases of overseas equitie[s]

This may be tempora[ry as] investors adjust the bala[nce of] their portfolios after th[e end] of controls has been ren[...] But even when the peri[od is] over investors are likely t[o want] to invest more overseas [than] before last year. It wi[ll no] longer be possible to lo[ok at] the investment of the vast [insti]tutional funds solely i[n UK] terms.

Peter Rid[dell]

Here come the gilt funds

UNIT TRUSTS
TIM DICKSON

UNIT TRUST men (and women) are limbering up this weekend with all the competitive instincts of Olympic athletes.

Busy putting the final touches to their new gilt edged and fixed interest funds, made possible by the new tax concessions in the Finance Bill, unit trust managers are well aware that a quick start and a good position at the front of the pack could bring them extra sales.

The key clause in the Finance Bill, expected to receive Royal Assent in the next few days, exempts authorised unit trusts investing exclusively in gilt edged and certain other fixed interest securities from paying corporation tax of 52 per cent on their income.

Instead they will now pay the basic rate of 30 per cent, putting them on the same footing as individuals investing directly in gilts.

Three groups, Abbey Unit Trust Managers, Craigmount and Target with gilt funds already on the market have been told by the Inland Revenue and the Department of Trade that they can take advantage of the new tax rules immediately the Finance Bill becomes law.

Although not yet formally approved by the DOT, their old trust deeds have apparently only needed minor alterations to comply with the requirements of the Act.

The Craigmount and Abbey funds are both aiming primarily for a high income (though David Glasgow at Abbey insists that he is not competing for the prize of highest advertised coupon) while Target goes for a low yield in the hope of additional capital growth.

Another fund, Allied Hambro Government Securities, has already taken in £1m since its launch in May—again, however, the supplemental deed has not been formally approved.

Meanwhile, Miss Audrey Head, managing director of Hill Samuel Unit Trust Managers, is stealing a march on the others without an existing fund.

She is launching a new gilt-edged and fixed interest trust this weekend, complete with authorised trust deed and an advertised initial yield of 12.5 per cent. "I have had my application in for a very long time," she said yesterday. "The Finance Bill has been throug[h] report stage and third re[ading] so it can't be changed no[w.]"

On the prospects for gilts [Miss] Head admits that the sta[rting] yield would look more pr[omis]ing "if the gilt edged m[arket] had not been so attracti[ve in] recent weeks." But, she [adds:] "I still remain optimistic [...] we are in a bull market an[d] further advances will be s[een.]"

With Hill Samuel and others appearing to show a pair of heels at this stage, [...] of these groups will no [...] be more eager than eve[r to] join in the fun. The big [prob]lem, however, is a [...] hiccup at the hard pr[essed] Department of Trade, whi[ch is] faced with a large numb[er of] applications from unit [trust] managers wishing to inc[rease] their management charges.

About 37 funds have [been] given the go-ahead to c[harge] more than the previous [statu]tory maximum (unitholder[s per]mitting, of course) but [...] others are waiting in the w[ings.]

The appalling, if some[what] facetious thought struck [me] this week that the DOT n[ow may] have to take on more sta[ff to] cope with the backlog. W[ould] this, I wondered, increase [pub]lic spending and put a [dam]pener on gilts.

Still waiting for £50m

HOLDERS of Southern Rhodesia sterling bonds, who are owed around £50m in unpaid interest and unredeemed capital, are used to waiting.

After all, Mr. Ian Smith frustrated them for a full 15 years and the new Zimbabwe Government naturally spent a few months sorting itself out before negotiating settlement terms for its complicated outstanding debt.

But there now appears to be a further delay. Contrary to all expectations, details of the agreement which was reached with Zimbabwe by the Council of Foreign Bondholders four weeks ago have still not been announced. Hopes were high that shortly after the breakthrough last month (within a week or 10 days, perhaps) the estimated 15,000 UK holders would be told what was to be offered. It is widely believed that the settlement package will contain compensation as well as arrears of capital and interest.

Since June 28, however, the 12 stocks publicly quoted on the Stock Exchange have remained suspended and bondholders have not heard a squeak.

Mr. Michael Gough, council secretary, emphasised again this week that there was no question of the Zimbabwe government getting cold feet. He did not say exactly what had caused the latest hold-up, excep[t to] repeat that technical difficu[lties,] partly relating to the futur[e] position of bondholders, [were] responsible.

The Treasury, which [took] part in discussions ove[r a] separate £50m of outstan[ding] official debt, and the Ban[k of] England, which acts as registrar and official pa[ying] agent for the bonds, are also involved. But neither [would] comment.

Everything will no doub[t be] all right in the end. But b[ond]holders are entitled to a pu[blic] statement soon and some off[icial] explanation as to what's g[oing] on.

T.

The cost of an old school tie

SCHOOL FEES
ERIC SHORT

THE outlook is grim for parents who pay to educate their children. Not only have school fees increased by an average rate of 20 per cent over the past 12 months, as disclosed in a recent survey of the Independent Schools Information Service. Parents are now faced with the prospect of fees rises of up to 30 per cent in September, thanks to inflation and the Clegg Committee.

The ISIS survey shows that over the past five years, school fees rose at a faster rate than inflation. This trend, moreover, is likely to continue in view of Professor Clegg's self confessed mistake in awarding unrealistically large salaries to teachers. Teachers' salaries in the independent sector tend at least to match the Burnham scale which fixes state school salaries.

These latest ISIS findings are of considerable interest both to parents intending to send their children to public schools and to those who already have some form of school fee savings plan. As recently as five years ago, plans were based on school fees of £1,000 a year and an inflation rate of 7½ per cent per annum. Now fees of £3,000 a year are common at top schools and the inflation estimate has, of course, proved quite inadequate.

The school fee specialists make a point of reminding parents to keep their plans up to date. With fees rises of this scale, revision is essential and perhaps now is as good a time as any, if the ultimate burden of paying fees is to be eased. In many cases it is going to mean that parents are going to have to fund a higher proportion of fees out of income than was originally planned.

The school fee specialists now assume an inflation rate of 10 per cent per annum in t[heir] projections of fees. But in light of recent experience, [pro]jections of up to 15 per c[ent] could be more realistic. Par[ents] looking for advice should [ask] for several quotations on di[ffer]ent assumptions.

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BOOKS: Crime fiction for holiday reading

Little grey cells

BY WILLIAM WEAVER

A Talent to Deceive
by Robert Barnard. Collins, £5.95, 203 pages

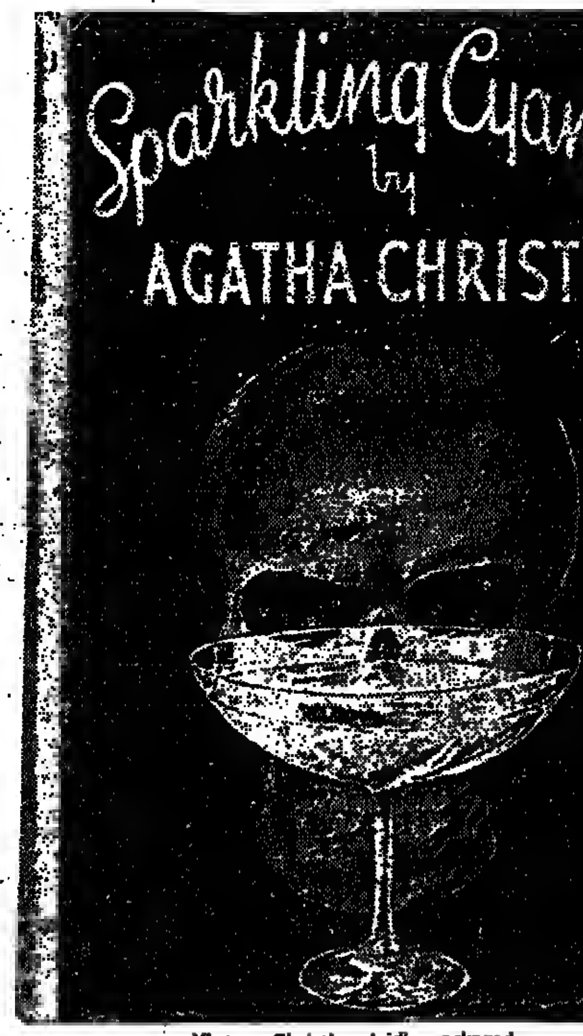
Dorothy L. Sayers: Nine Literary Studies
by Trevor H. Hall. Duckworth, £12.50, 132 pages

Though Robert Barnard subtitles his new book "an appreciation of Agatha Christie," it is not a work of hagiograpby, of sanctimonious, all-embracing praise. In the very first chapter, in fact, he assigns himself the nngrateful role of counsel for the prosecution and outlines, fairly and succinctly, the case against the anthor (Edmund Wilson and his notorious essay "Who Cares Who Killed Roger Ackroyd?" are exhibits A and B). Professor Barnard lists the familiar criticisms of Christie's work: rudimentary characterisation, sketchy and unrealistic settings, drab writing; but then, as the book progresses, he brilliantly turns these very criticisms against the critics and shows how these apparent defects are, indeed, some of the explanation of the writer's phenomenal popularity.

It is this popularity, of course, that anybody writing about her must come to grips with; and again Barnard offers a cogent, compelling explanation. The very vagueness of Christie settings, the cardboard quality of so many of the characters allow readers in any part of the civilised world to fill in the blanks and identify (thus, far from being a typical English village, St. Mary Mead is more a Platonic idea of Village and could be found anywhere).

This study is not biographical, but Professor Barnard does discuss the famous, mysterious disappearance of December 1926, at the time of the marital crisis that later led to divorce from Colonel Christie. Barnard links this event—in a fascinating insight—with the course of the later career. Even before the disappearance and its attendant publicity, Mrs. Christie had been shy; the crisis left her, in Barnard's words, with "a strong need to withdraw, hide herself, cover her tracks." And thus, in her subsequent novels there was a "determination to give away nothing of herself." It is true from her novels we learn nothing of the author's feelings, opinions. Opinions (including the early anti-Semitism), when voiced, belong to the characters. And this elusiveness, Barnard argues, "is the secret of her success as a puzzle-maker." Often, in fact, she cleverly leads us astray: making us assume that we have read her mind. Barnard cites the case of *The Mystery of the Blue Train*, where we are naturally led to suppose that the charming rotter will prove to be the murderer and the dull, worthy young man will get the girl. Instead, it is the other way round.

Himself the author of some highly accomplished murder novels, Professor Barnard is doubly qualified to write with authority about the Christie canon. Obviously, he knows it backwards and forwards, but this is not a cult book and can be enjoyed also by the less expert admirer of Dame Agatha.



Vintage Christie, vividly packaged.

The volume includes some useful appendices: a list of Christie novels and short stories, a list of secondary sources, of Christie films, and—most helpful—an annotated list, giving brief, but provocative judgments on all full-length works. Professor Barnard's book is published in celebration of the 50th anniversary of the Crime Club, the imprint which crime-fiction fans have long learned to admire and love; this study of the Club's most famous author is a fitting tribute.

People tend to like Agatha Christie or Dorothy L. Sayers, but not both. Professor Barnard, in fact, has some harsh words for the pretentions of the inventor of Lord Peter Wimsey. Trevor H. Hall, in his Sayers studies, does not directly refer to Christie but contemptuously dismisses anthors of "crossword puzzles." But he manages to find a number of puzzles in the work of Sayers, and he goes into them at somewhat greater length than their inherent interest will support. Though his volume is short, it manages at some points to be repetitive. Strictly for adepts.

Phantom fun

BY ELIZABETH FORBES

The Gaston Leroux Bedside *Companion*
Edited by Peter Haining, Gollancz. £5.50. 160 pages

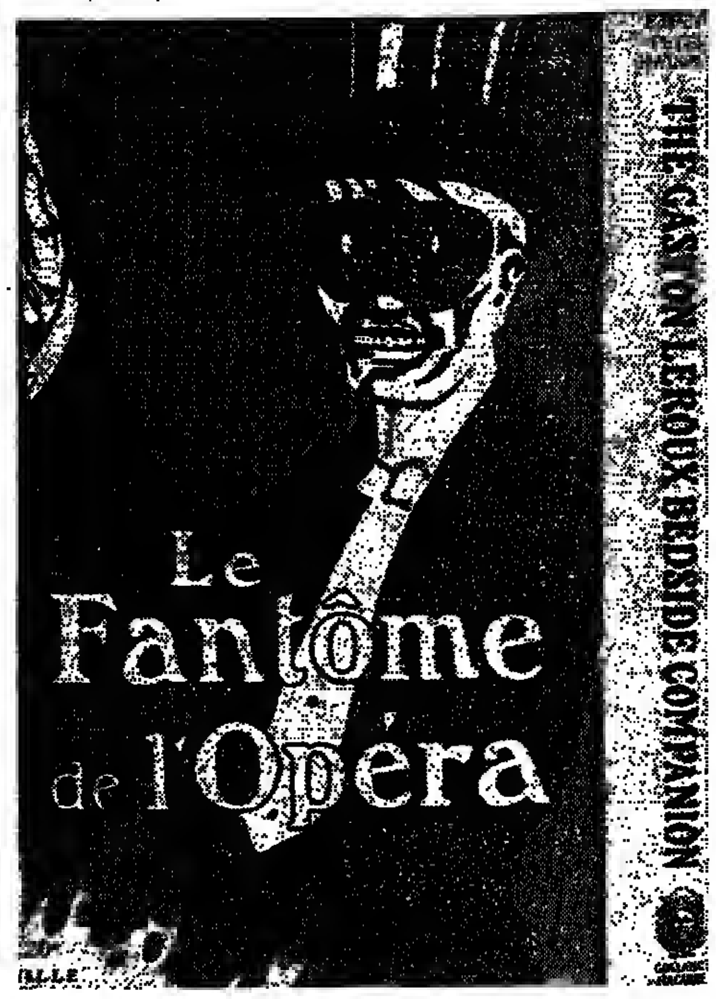
Gaston Leroux is today mainly remembered as the author of *The Phantom of the Opera*, a best-selling novel first published in 1911 and subsequently four times filmed — a still of Lon Chaney as the protagonist in the first Hollywood version (1925) adorns the dust-jacket of the present book. But the Parisian-born Leroux, a prolific writer—journalist, playwright, foreign correspondent, opera critic and author of the first "closed-room" detective story (*The Mystery of the Yellow Room*) and of many other crime novels — also indulged his taste for the macabre in a large number of ghost and horror tales.

The nine stories that make up the *Bedside Companion* were originally published in various obscure French periodicals, and Peter Haining, as he explains in his introduction, has taken them from British and American publications such as the Strand and Windsor Magazines, or Weird Tales. The translations vary enormously in literary merit and, one suspects, fidelity to the original texts: for instance, Captain Beauvisage in *A Terrible Tale* is, from internal evidence, a retired officer in the Mercantile Marine, not "an ex-Captain of Marines." Even so, the imaginative powers of the writer, his ability to make the ordinary appear extraordinary and, conversely, the preposterous seem quite natural, are always evident.

Several of the stories are narrated by the elderly sea-captains who forgather in a Toulon café and try to outdo each other in the horrific impact of their contributions. *A Terrible Tale* deals with cannibalism after a shipwreck; *The Mystery of the Four Husbands* is about a beautiful woman suspected of poisoning several spouses; *The Inn of Terror* speculates on the fate of a famous Italian tenor who disappeared while eloping with a ravishingly pretty Contessa; in *The Woman with the Velvet Collar*, the most original story in the collection, a Corsican antique dealer exacts ghastly vengeance on his unfaithful wife and her lover.

In Letters of Fire is reminiscent of Pushkin's *Queen of Spades*, with an inveterate gambler making a devilish pact in order to win at cards. *The Gold Axe* discloses the terrible matrimonial secret of an elderly widow, a fine pianist given to playing Chopin and Schumann. Even *The Waxwork Museum*, in outline the familiar tale of the man driven mad by spending the night in a Chamber of Horrors, has an individual twist to its tail. *The Crime on Christmas Night*, with the one plot that I found unconvincing, is "a damn good love story . . . but nobody would ever say there was anything very horrible about it."

Finally, *The Real Opera Ghost* investigates the identity of Erik, the Phantom who kidnapped the beautiful and talented young singer Christine Daaé and killed the man she loved, Vicomte de Chagny. Though this explanation may not mean much to those unacquainted with either the novel, or one of the film versions, or the recent ballet staged at the Paris Opéra (with the heroine changed from singer to dancer), it will thoroughly satisfy those many addicts of Gaston Leroux's evergreen mystery.



Lon Chaney in the first Hollywood production in 1925.

Buckets of blood

BY RACHEL BILLINGTON

The Beirut Pipeline
by Ray Alan, Collins. £5.95, 242 pages.

The special strength of "The Beirut Pipeline" lies in the background and the style. To these I will return. The plot, however, is not at all bad. And certainly does not lack action. It incorporates at least five murders described in bloody detail. While our hero's body takes more bruising than a slice of veal on a butcher's slab. His powers of recovery, luckily, are very much better. Indeed at times, in good thriller tradition, he seems positively superhuman.

Ray Alan, in real life the pseudonym for a journalist, in the book plays the same role. He also works for a little known British intelligence agency, Tossteam "... the only secret service that earns any money." Clement R. Atlee. Alan is summoned to Beirut to help his friend, Arnold, who suspects something fishy in the pipeline. Soon after Alan's arrival Arnold gets shot and Alan gets his first battering—with a golf club as the protagonist tells us later. (Would Ian Fleming have specified whether wood or iron?) A clue, a calling card, is left behind, "Superfine Talcum Powder." Later there is another clue, "Seacity." But there are far too many incidents, red herrings or bloody beads (or vice versa) to make that much help to the reader. "The pace" as the blurb rightly says, "never slackens."

Alan, however, manages to keep his cool. This is where the style comes in. He recovers consciousness on one occasion in a night-club: "There was music—sullen and sinuous, matching the smoke rather than the colours. It was hot. The crummier the women were, the less they wore. Their flabby off-white flesh looked as if it needed hosing down." This is not bad description for a man whose throat "felt as if someone had tied a knot in it." On another occasion during a difficult interview he notes his sparring partner stubbing out a Gauloise "until it looked like a pop singer's hairdo." He also has a nice line in deadpan dialogue—emphasis on "dead." The sex is not so convincing, usually on the level of "a vision in blue and gold." Sensibly, it is not allowed space to get up much steam.

So to the background. This is well above the "shadowy portico" and "cavernous cellar" genre and gives a real feeling of Lebanon and Syria. The same can be said for the background information on the characters. They are very nearly real people and are certainly doing real jobs. Indeed if Mr. Alan had the confidence to let the pace slacken a bit and thus leave room for more character development he might have written not only a good thriller but also a good novel. Perhaps next time.

Airships, fouls and antiques

BY DEBORAH PICKERING

Pornography, the supernatural, the back door into antiques and diamond dealing, forays into tha First and Second World Wars, make up a wet summer's batch of holiday reading.

Unwilling small cog in code-breaking Intelligence group (First World War) deserts the Admiralty and infiltrates a branch of the Navy that holds U-boats at bay. Richard Shepherd has a few short weeks—before he is discovered by his department and charged with an offence that is punishable by death — to avenge the murder of his fiancée by U-boat skipper, Otto Schiller. But it is the RNAS flying blimps (airships cobbled out of obsolete aeroplanes) that are the heroes of Cloud Nineteen by William Stanley (Michael Joseph, £5.95, 224 pages).

A Scot and former antiquarian bookdealer, Hugh C. Rae, gets into the bizarre and bloody atmosphere of a Pennsylvanian mining town for **The Haunting of Waverley Falls** (Constable £5.95, 255 pages). Following a series of inexplicable accidents, the miners vent their fury on a band of itinerant hippies who are camped near the town. The "roachbacks" are killed by the enraged miners and the aftermath is the violent death, one by one, of the murderers. The release of a force of evil affects everybody else in the area and the hocus-pocus narrative is worth a five-star rating.

Plausible fable concerning an Englishman's research into a 1940 attempt by a power split in the German High Command attempting to effect a peace treaty with non-lovers of Churchill in the UK is Philip Lovegrove's **The Von Stahmer Jigsaw** (Cassell £5.95, 187 pages). Beautifully constructed historical scenes followed by shattering climax.

Diamonds can be a girl's worst enemy, according to the misery, murders and mix-ups in Alex Ausak's **A Trick of Diamonds** (Collins £4.75, 210 pages). Dealer is a woman who becomes inextricably involved with New Zealand remnants of English aristocracy desirous to trace family heirloom and runaway daughter. Flavoured with cucumber sandwiches and cauliflower-eared heavies, it is a skilful marrying together of fun and fear.

England international footballer Jimmy Greaves with reporter Norman Giller is credited with **The Ball Game** (Arthur Barker £5.25, 156 pages). There is more action at the bedpost than the goal post, and most fouls occur in the mouths of the characters who are—if we can believe this diatribe—not the sort of people we would want to meet off the pitch or tv screen. Fast-moving if far-fetched fantasy of kidnapping, politics and corruption.

Another sexual athlete—but this one is a low-key antique dealer on the trail of a unique and carefully concealed objet perdu in the English countryside. Collectors will be rewarded with some tips of the trade from hero, Lovejoy—a complete misnomer, in Jonathan Gash's Spend Game (Collins £5.25 204 pages).

Soho's Golden Mile is even more eye-blinding than the popular Sunday newspapers dare portray it would seem from Dan Kavanagh's **Duffy** (Jonathan Cape £4.95 181 pages). Title name is ex-policeman gumshoe who left the force under a well-defined cloud and is hired to smash a blackmail racket. This is plot, subplot, counter-plot and all very bad news for our down-at-heel seedy sleuth. The action swings from gentle West Byfleet to a West End of London one can only learn about in such social documentaries as Mr. Kavanagh's. But the sensationalism of sin city is mercifully clothed in witty semantics and the laughs are as many as the gasps.

White Russian roulette

BY VALERY McCONNELL

Obsessions
by Leonard St. Clair
Macmillan, £5.95, 316 pages.

Emerald Decision
by David Grant
Michael Joseph, £6.50, 383 pages.

A Curl Up and Die Day
by Frank Dickens
Peter Owen, £5.50, 152 pages.

The Fox Potential
by Keith Hagenbach
W. H. Allen, £5.95, 303 pages.

The Money Stones
by Ian St. James
Heinemann, £5.95, 242 pages.

Thriller writer Eric Linklater once wrote that "Authors and uncaptured criminals are the only people free from routine." For those whose only break from routine is imminent, in the form of summer holidays, here is a crop of books by the former and largely about the latter.

Obsessions, by Leonard St. Clair, and *Emerald Decision*, by David Grant, are both about the discovery of past crimes. In *Obsessions*, the crime is the murder of the Russian Imperial family in 1917 by a Bolshevik hit squad, from which one member escapes to become immensely rich on stolen royal jewels. However, a White Russian emigré has devoted his life to avenging the murders. Unfortunately, the plot becomes embroiled in Hollywood and the lives of the international jetset, as it spans some 40 years, and the original story line is lost. All the strands are knotted together eventually, but the book lacks enough realistic detail to make it a good thriller and the characterisation is too stereotyped to make it interesting.

Emerald Decision is more tightly written. An American author is on the trail of an undiscovered World War II invasion of Eire, to turn it into a best seller, but he is being used by the IRA to uncover information that will bring down the 1980 peace talks on Ulster. The story of the invasion and of the author's search are both told in the present, in short alternating scenes, so while the significance of the invasion is gradually pieced together, it is always overshadowed by the presence of the IRA, like a time-bomb ticking in the background. Suspense is maintained to the end, with enough authentic detail to make the story plausible.

A Curl Up and Die Day, is the first book by Frank Dickens, strip-cartoonist creator of Bristow. Its hero, Dicks, is a strip-cartoonist and an enthusiastic follower of international cycle-racing, who becomes involved in the disappearance of a Russian rider. The story moves far too slowly for a thriller however, usually more concerned with the hero's chances of engaging the attention of a well-proportioned Swedish lady, than with the mysterious Russian cyclist. That said, the hero is a likeable character, although his attitude to life is decidedly more prosaic than Bristow's. One similarity I did notice though—more than being beaten up, having his car stolen and his hotel room overrun, Dicks finally loses his temper when his umbrella is stolen.

The hero of the *Fox Potential* is an ex-soldier victimised because he chased the IRA over the border and then was put in prison on a put up drugs charge. Will his luck change as he searches for the kidnapped daughter of a Mafia leader? Although in places the dialogue reads like extracts from the *Raymond Chandler Book of Wisecracks*, the plot stays interesting to the finish, where it has a nice twist.

The Money Stones is full of twists and turns. It is an intricate thriller set in the more shady areas of international finance. The author has worked in the city, and the authenticity of the book is one of its best features. It concerns the setting up of an international deal, which could make millions; if everybody in it is telling the truth. It is told with plenty of style and will keep you sitting on the edge of your deckchair one lazy summer weekend.

One thing common to all these books is the indispensability of cigarettes and alcohol to the functioning of the characters. Surely, with the current concern for fitness, somebody should create a hero, or heroine, who relaxes by jogging and drinks his orange juice shaken, not stirred?

A gallery of rogues

Death Fuse by Martin Russell. Collins, £4.75, 196 pages

Martin Russell is always excellent at setting up a situation: an ordinary person—it could be you or me—suddenly finds himself trapped in a nightmare, a looking-glass world where nobody is what he says he is and even the most quotidian event assumes a spooky, menacing significance. In his past novels, however, the author often failed to maintain the horror or to resolve it satisfactorily. This time the premise is less complex: a nut is leaving bombs in crowded places, the police—whom we come to know personally—are hard put to identify him. The alert reader will figure out the killer's identity somewhere about halfway through the book, but that is not the point. His pursuit and capture are what matters, and Russell handles them with mounting suspense. A number of nice cameo-portraits along the way.

A Clear Case of Suicide by Michael Underwood. Macmillan, £5.50. 191 pages

Why should Laurence Deegan, QC, commit suicide? He has money, looks, success, a handsome wife, two sons (one a bit stuffy; the other, nicer, adopted). He returns to chambers after winning a case, waits until his clerk has gone home, and slashes his wrists. The adopted son, a police officer, takes it upon himself to investigate, unofficially of course, since there is no criminal implication in his father's death. The policeman's research leads him down some odd byways, ruffles quite a few feathers, and adds some human, if less admirable strokes to his father's portrait. This is not really a thriller, or even a crime story, but it makes pleasant reading.

Deadly Picnic by John Bingham. Macmillan £4.95, 174 pages

In his earlier *The Marriage Bureau Murders* John Bingham devised an unconventional, but persuasive milieu and cast of characters; some of these reappear in the new book, along with the author's latest inventions (a queasy solicitor, a few new crooks, a popsy). The solution is slightly disappointing, and not exactly unexpected; but the literate writing and the clever pacing make this latest Bingham consistently enjoyable.

North Slope by Michael Parker. Macmillan. £5.95, 222 pages

Drilling for oil in coldest Alaska. As if the weather were not enough, there is also a killer on the loose, in the service of a rival firm. Michael Parker's technical knowledge is overpowering, and there are moments when you have your fill of gantrys and wind-chill factors and crown blocks. But the story is well-conceived and the main characters are believable. This is a promising first novel, and in the next one the obviously gifted narrator may trim his prose down a bit.

WILLIAM WEAVER

PROPERTY

Lakeside living

By JUNE FIELD

"NOT ONLY good for little hut good for nothing," Defoe commented in the days when Bagshot Heath was vast, dangerous and unenclosed. Caesar had his camp there, and a guide of the former London said South Western Railwey refers to an 18th-century account that the emperor "laid the country waste so that the poor inhabitants were obliged to fly and seek asylum in the valley beneath."

Bagshot, said to derive its name from the Danish "bag" (a back), or the Saxon heec combined with sceat (a corner or angle of the sea or waste land), obviously took a turn for the hetter when George IV, as Prince of Wales, lived at Bagshot Park, once the hunting ground of the Stuart kings. Now Nicholas Pevsner calls it "demure, almost a hackwater . . . with a curiously urban air, in a landscape of rhododendrons and holly bedges."

The place is part of Surrey Heath on the western edge of Surrey, bordering the other Surrey towns of Guildford and Woking. Probably the quickest hreath of country air from Oxford Circus, it took me just under the hour to travel the 30 miles, the only snarl-up at the Cromwell Road intersection before getting oo to the M3.

My destination was the southern side of Bagshot Heath, Lightwater, off the A322 on the Guildford road, described by the local guide hook as "oforming an extensive and almost wholly modern village between that open space ao dthe wide spread of the West Eod Common."

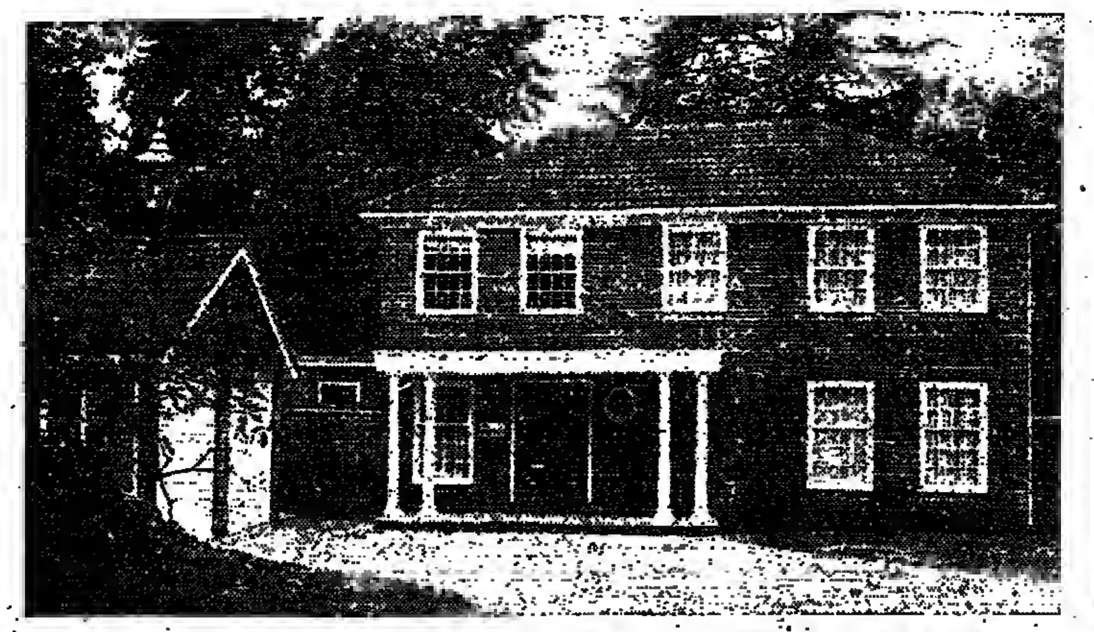
Here an 11 acre lakeside site, Heron's Court, w hcihtakes its name from the original late Victorian country house, has the initial phase of a pleasant well-landscaped estate on varying levels; it is planned to take 28 "exclusive, prestige" houses (a phrase nearly as bad as "executive" homes, hut never mind), that I first saw building last year. Now nine of the large handsome detached four hedroom, two bathroom houses ase sold and occupied.

Construction is by E. Clarke & Sons (Homes) the Weyhrige builders active in various parts of Surrey and Hampshire, (turnover hetween £4m and £5m a year). The company hullds solid satisfying well-finished "traditional" homes, which in plain parlance usually means a touch of the uhiquitons neo-Georgian style with the period's sash wiodows, (plus perhaps a little porthole for fun), and a pillared and porticoed porch over an imposing front door.

The Heron's Court houses follow the traditional pattern. "It is part of a package we find our huyers want," insisted managing director Mr. Michael Sanders over lunch hy the lily pond at the opening of the new view-house. "A well kitted out, easy-to-run house in a country atmosphere, yet within easy access to major towns, schools, leisure amenities and so on."

Originally selling in the £70,000 to £90,000 bracket, prices are now in the £100,000 range, and for this you get all the kitchen equipment (wbich includes the latest split-level cooker with a hood, refrigerator etc.), curtains, carpeting and wallpaper. Sales so far have been mainly to people trading-up and ahle to take on a £40,000 to £50,000 mortgage.

My favourite is the house hy the lake, wbere one of the bedrooms has a balcony overlooking the rhododendron-filled garden whlch goes right down to the water. The blooms are finished, but the utter peace and tranquillity of the vast spread of placid water is attraction enough.



Clarke's 3-living room, 4-bedroom, 2-bathroom detached neo-Georgian house at Heron's Court, an 11-acre lakeside site near Bagshot, just outside the village of Lightwater, Surrey, where the garden goes right down to the water. Price around £120,000 which includes curtains, carpet, wallpaper, kitchen equipment and a little boat house. Brochure Michael Boorer, sales manager, E. Clark & Sons (Homes) Ltd., Brighton Road, Addlestone (Weybridge 49113) or all at Heron's Court, Fridays, Saturdays and Sundays 11.30-4.

The price of around £120,000 will include all the extras mentioned above, plus a little hoat house. Or you can have a similar design built to order with five bedrooms. Heron's Court hrochure from Mr. Michael Boorer, sales manager, Clarke, Brighton Road, Addlestone (Weybridge 49113), or the two view-houses are open Fridays, Saturdays and Sundays 11.30-4.00

In the 1920's, Summerfold House, which belonged to the Duke of Sutherland, was used only for about a month a year when they were at their hest. A little later tbe Prince of Wales, later Edward VIII, leased it for a year and planted two specially imported Canadian Redwoods.

During the war the house was occupied by the Canadian army, and the grounds and heech woods were used for training commandos. The property has now deteriorated badly, and there is outline planning permission to demolish and huild a new house, or Waverley District Council have intimated that there would be no objection to converting and reconstructing the original.

The site is on the summit of Pitch Hill, 860 ft above sea level, with superlative views as far as the South coast. Ewhurst, described by Pevsner as "a straggling roadside village . . . (where) the new houses are trying too hard to be picturesque," is about two miles away, Guildford about eight miles.

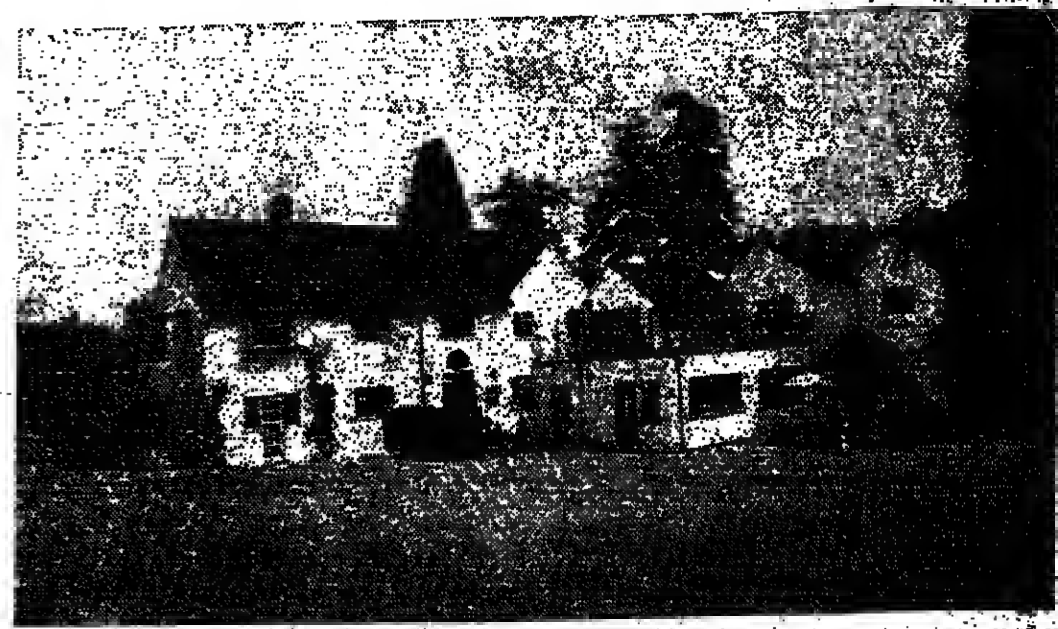
Details Knight Frank and Rutley, 20 Hanover Square, London, W.1 (01-629 8171). A sale price in the region of £100,000 for the house and the 26-acre site is expected.

Together with John D. Wood, Knight Frank and Rutley is also offering the 400-year-old Lobswood Manor, Farnham, for a figure in excess of £400,000. It is the house where J. M. Barrie wrote Peter Pan.

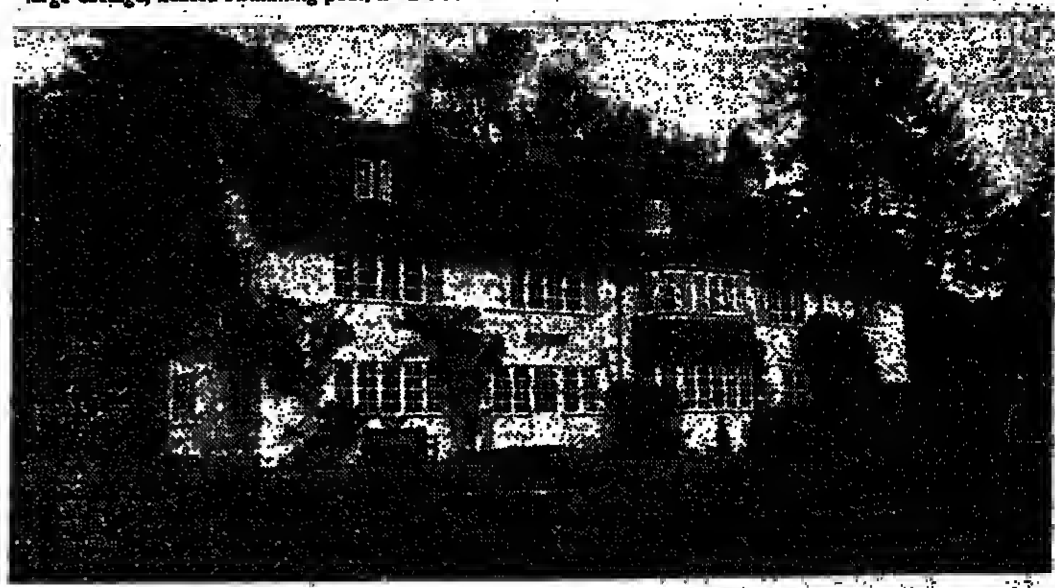
The author's chair is still there, and goes with the house, which has six hedrooms, five bathrooms, three-bedroom staff or guest annexe, a six-room cottage and four acres which include a hard tennis court, heated swimming pool, two paddocks and a stable block.

Also near Farnham is the five-bedroom, three-bathronm Crosslanes, Frensham, which is in 3½ acres inclnding paddock and pony shed, swimming pool, tennis court and apple orchard. Weller Eggar, 74 Castle Street, Farnham (0252 716221). (Inquiries Mrs. Bramble Johnson), is inviting offers in the region of £130,000.

Surrey abounds in golf courses, and the 144-acre Silvermere Golf Course and Country Club Cobham, about five miles from Heathrow, is for sale for over £1m througb Hampton and Sons, 6 Arlington Street, London, SW1.



"Peter Pan" was written by J. M. Barrie at the 400-year-old Lobswood Manor, Farnham. 4 acres. The author's chair is included in the sale of the 6-bedroom, 5-bathroom house in 4 acres with its 3-bedroom staff or guest annexe and a large cottage, heated swimming pool, hard tennis court, 2 paddocks and stable block with loose boxes. Details Knight Frank & Rutley, 20 Hanover Square, London, W1 (01-629 8171) and John D. Wood, 23 Berkeley Square, W1, who are looking for a figure in excess of £400,000.



Crosslanes, Hamlash Lane, Frensham, near Farnham, Surrey is a 3-living room, 5-bedroom, 3-bathroom house in about 3½ acres including paddock-land, pony shelter, 3-car garage, swimming pool, tennis court, apple orchard and kitchen garden. Offers in the region of £130,000 are being invited by Weller Eggar, 74 Castle Street, Farnham (0252 716221), inquiries Mrs. Bramble Johnson.

هكذا من الأصل

TRAVEL

Something Grand

BY PAUL MARTIN

LUXEMBOURG, as we generally call that small but influential country set at the very heart of Europe, is known more correctly as The Grand Duchy. If you're driving through Belgium and mention Luxembourg, they assume you're referring to their own southernmost province, bordering The Grand Duchy, and this causes confusion.

The tolerant, friendly, yet still proudly independent Luxembourgois also feel that their country isn't simply a place on the way to or from somewhere else. It has a lot to offer the holidaymaker. I share that view but also the local reservations about some of the architecture in the new purpose-built European centre at Kirchberg.

When you realise that The Grand Duchy is only roughly the size of Surrey, there are some striking contrasts. There is intense wine cultivation along the banks of the Moselle, with Germany on the opposite bank.

The visitor can see bizarre rock formations and dense vegetation along those shady paths of the Mullerthal. And finally, towards the north, there are the rolling verdant hills of the Ardennes which spill over into Belgium.

Luxembourg City, with the massive fortifications by Vauban, the great French military rachitect, and also one of the greenest cities of Europe, divides itself quite naturally into two halves.

The old town, around the cathedral and the Grand Ducal Palace, is separated by a deep ravine. There the River Pétrusse snakes its way through the leafy park deep down in the natural gorge.

The modern commercial quarter lies on the far side with the ecclesiastical-looking station tower and an English pub on the Avenue de la Liberté.

Away from those massive fortifications in the capital, the Grand Duchy also has splendid castles, two at Vianden and Bourscheid, now being considerably restored.

Even if you're neither a castellophile, nor a collector of curtain walls, do climb up to Bourscheid where, from the ring of the original fortifications and those added at a later date, there are marvellous views. You look over the tree-covered gentle slopes of the Ardennes and see, on a clear day, over the border into Belgium.

Vianden, with a permanent population of under 2,000, gets pretty full in high season with a lot of Dutch visitors spending a day or weekend there. The castle, set high on a natural rock, completely dominates the little village where the steep Grand Rue twists its way down towards the banks of the River Our.

I found the Hotel Heintz, adjoining the exquisite cloisters of the Trinity church and built within a part of the former monastery, a real discovery.

It is simply the nicest kind of small country hotel, run by the same family for over 30 years and providing a combination of good personal service and quiet distinction. The excellent cuisine is simple and unfussy and the balconied rooms at the back of the hotel guarantee perfect peace.

The Grand Duchy has not been slow to following the current trend for self-catering. The Village de Vacances at Beaufort (details from The Luxembourg National Tourist Office) has 16 well-designed, fully-equipped and pleasantly-landscaped chalets.

They can accommodate four people and an extra bed can be added. Inclusive weekly rates vary between around £37 and £90. With the exception of the peak summer season and a few off-season weeks, they can also be rented for the weekend at costs varying between £23 and £30.

In just over two days I managed to see more of the country than on my earlier visits and, with no long distances to cover, did so with no undue sense of rush. If you go down to the industrial belt south-west of the capital, do make a point of visiting the simple but very impressive Resistance Museum in Esch/Alzette. There is another museum recalling the importance of the iron-ore industry at Rumelange.

RACS Tours package weekends in Luxembourg throughout the year. Using both Luxair and British Airways scheduled services and including bed-and-breakfast accommodation for either two or three nights, prices start at £86.25.

Sealink operates inclusive motoring packages to several hotels in Luxembourg City. Based on four people travelling together, the all-in prices, using a car of any length and offering a seven-day bed-and-breakfast arrangement, start at £101 per person.

It would be all too easy, but a great pity, to think of The Grand Duchy as solely an international gathering place which now plays a major role in the banking and commercial life of Europe.

Those thoughts were far from my mind as I sat outside a cafe on the Place d'Armes sampling a glass of Luxembourg Moselle in the warm sunshine of a spring morning before catching the flight home.

ADDRESSES. Luxair, Room 2004 Terminal 2, London (Heathrow) Airport. Luxembourg National Tourist Office, 36-37 Piccadilly, London W1V 9PA. RACS Tours, 67-69 Woolwich New Road, London, SE15 6EE. Sealink Travel Reservations Section, 163-203 Eversholt Street, London NW1 1BG.

Luxembourg

Solar heating

SUN-STARVED Britons who holiday in the U.S. this year will probably find this hard to believe—but their main preoccupation will be keeping cool. And in recent weeks keeping cool has not just been a question of comfort, more a matter of survival.

Although it has been worst in the Mid-West, where hundreds have died from the heat, it has been pretty hot in other places. All down the East Coast there have been record temperatures. I have just returned from three weeks touring from New York down to Miami and nearly every day the temperatures soared to about 95 degrees Fahrenheit. We Britons just have to admit that we are not used to this sort of heat or the high humidity.

A 200-yard stroll in the sun will leave you with sweat trickling down your spine and dripping off the end of your nose. Forget the prissy English saying about "horses sweat, men perspire and women glow." In the present American heatwave everyone sweats.

Which takes us to the first lesson in avoiding heatstroke. A lot of cool drinks are needed to prevent dehydration and to keep down the body temperature. And do not forget to replace the salt lost by sweating. The glasses of iced water and the salted biscuits which most restaurants provide unasked with meals are an essential part of your survival programme.

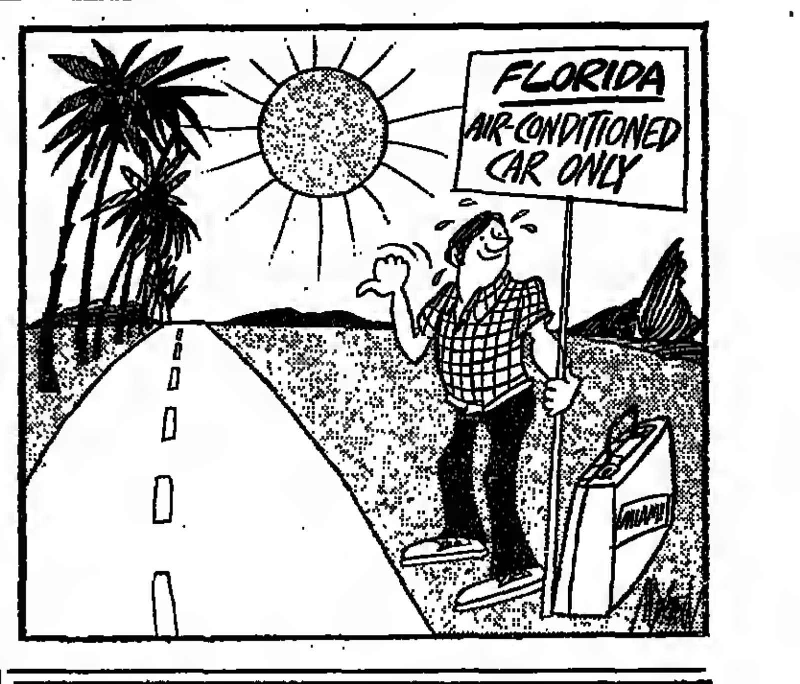
One piece of advice we were given when we arrived was "make sure that the air conditioning is working in any car you hire—you can die in a car that isn't air-conditoned." That was not a joke. An air-conditioned hotel room is also an essential rather than a luxury.

Light-weight, light-coloured, loose-fitting clothes will make life more comfortable. The main thing is to take it easy. The locals may still play five sets of tennis. It isn't a good idea if you are not used to the heat.

The best time to get a sun-tan is in the early morning or late evening before it gets really hot. And this advice only holds good in the relatively cool parts of the country.

Two Texans at our Miami hotel were being questioned about seeking a Florida sun-tan. Surely, they were asked, you could get a tan back home. The reply was quick and pointed: "In Texas no one sits out in the sun."

BRIAN AGER



Portugal after the port

Nazare, Northern Portugal.

IN OPORTO the English Club still flourishes, with wives gossiping around the swimming pool and idly watching their husbands play cricket. But these days the men are less likely to be members of the great port families, the Sandemans, the Cockburns, the Grahams, than executives of textile companies or motor multinationals. The traditional links between northern Portugal and Britain remain as strong as ever but now it is modern business which is pouring Britons into Portugal's main industrial area.

It ought to be tourism, for the country north and east of the river Duoro not only creates most of Portugal's wealth and feeds most of its population: it also, in a small area, packs in an immense amount of the very viewable. Yet on a recent trip I didn't see one UK registered car.

It is, of course, different in the south. In the Algarve where the beaches are warmed by the Gulf of Cadiz. In the north the sea is gripped by colder Atlantic currents which tends to keep the packaged tour operators away. But whereas the Algarve offers little inland the north has a profusion of historic towns, scenery which ranges from the picturesque to the dramatic, food and drink of a higher basic quality and lower *price than virtually anywhere* in Europe, a climate which is hot in summer but without the extreme heat of the south, and, within a few miles, enough variety to satisfy the most restless traveller.

The roads are not made for great speed. They wind over hills and valleys with always the red roofs of a farm or village in view. It is ideal pottering country, with frequent stops in the old cluttered towns, more busy with their own affairs than out to live off tourists. Guimaraes, where the history of Portugal began and the *first* capital, has a dominating 10th century castle where Alfonso Henriques, the first king, was born in the 12th century: churches that have scarcely been tampered with for centuries, except for the addition of marvellous baroque altars; narrow streets with carved wooden balconies and stone archways; and whole areas where craftsmen work in the downstairs of their home, or out in the sun, making utensils not for tourists but for their fellow townsmen. There is the bustle and the shops, and a new hotel rising near the centre, but Guimaraes wears its history naturally and with confidence.

Less than 15 miles away is Braga, with a cathedral and a host of churches, many brazenly baroque, not least the pilgrimage site Bom Jesus do Monte, reached at the top of its hill by a criss-cross of ornately carved terraces. The Portuguese *love* of church decoration is well displayed in the churches at Barcelos, where every wall can be covered with white and blue decorated tiles. Barcelos is most famous for its *Thursday fair* which covers the vast open centre of the town. Vegetables and fruit from the local fields are brought here, along with pots and crockery sets, clothes and woven goods. Such street markets are a feature of the region which is densely populated, and active with light industry and agriculture.

Industry and agriculture come together in the wine trade. This region is the home of the best-selling branded wine in the world, Mateus Rose, and the Guedes family, which produces the pretty sparkling pink near Penafiel, is famous for its hospitality. The locals drink *vinho verde*, "green wine," green because it is drunk young. The grapes are grown high, on posts stretching up to 30 ft tall: just to the south-east more typical vineyards cover the hillsides of the Duoro valley where the port makers have their lodges. In the autumn the sight of hundreds of girls and women moving through the fields gathering in the harvest and singing shrill traditional songs reinforces the feeling that *this* part of Portugal has a distinctive character, so lost elsewhere in Europe. The port companies welcome visitors, but preferably at their Oporto warehouses. Unfortunately the wine is no longer brought down the Duoro to Oporto in barges: today the industry is carefully regulated by the Government, with some loss of romance.

The Portuguese Revolution was taken in its stride in the north, which is not too impressed by antics in Lisbon, but it has left its mark in ubiquitous graffiti and the disappearance of some nice old customs, such as free wine with restaurant meals. Not that this matters, given the cheapness of the local wines which are much more varied than the choice in Britain suggests. Food comes in generous helpings and is very much of the region—a potato soup laced with sausage; plenty of shell fish on the coast; lots of pork—and kid.

Portugal is very different from Spain, and northern Portugal is unlike the holiday areas in the south. It gets on with its own business but the people are invariably pleasant to visitors, particularly *the British*, and this year Portugal is making an effort, and succeeding, in building up its tourist trade. More visitors are expected than in any year since the Revolution and the *UK* will supply the *most*. Portugal is currently advertising the north of the country, in an effort to spread the tourists more evenly around. It is an appeal which should succeed.

Information about northern Portugal can be obtained from the Portuguese National Tourist Office, 1, New Bond Street, London, W.1. Portugal Holidays, 37, Ivor Place, London, NW1, offer package tours to the resorts of northern Portugal. Half board at the Santa Luzia, a stately hotel in the attractive resort of Vianna do Castelo costs *£318* for two weeks in September: this is in the top price range, and there are many cheaper holidays on offer.

ANTONY THORNCROFT

Instant plants

Plants for the asking.

GARDENING

ARTHUR HELLYER

ONE OF the greatest revolutions in amenity horticulture during the past 20 years has been the change from a nursery industry almost entirely concerned with the field production of plants to one now largely organised for the supply of container grown plants.

This does not mean that there is not still a considerable acreage of land devoted to the cultivation of nursery stock but even from this a considerable proportion is destined to finish up in containers or in some form of prepacking which will give the plants a reasonable life at a selling centre.

I have just spent a couple of days looking at the production side of this development in an association of companies known as The Anglia Group. There are five of them scattered over an area extending from Bury St Edmunds in the south to Wymondham in the north, Methwold Hythe in the west Harleston in the east with the group offices conveniently situated at Thetford, more or less in the centre.

With one exception these nurseries are solely concerned with wholesale production, the odd one out being Blooms Nurseries at Diss which has its own retail subsidiary, Bressingham Nurseries, specialising in herbaceous and alpine plants, heathers and dwarf conifers.

There are a few misconceptions about the effect on the horticultural trade of this change to containerisation, some of which may even have lingered on in my own mind but were completely dispelled by this journey.

The most widespread and frequently repeated is that it has destroyed variety, that the big wholesale nurseries which supply the garden centres are solely concerned with producing more and more of less and less.

In fact, I found everywhere I went a search for new lines to offer, the one proviso being that it must be possible to present them attractively in containers.

I can best illustrate this point by one striking example, on a mile-long disused aircraft runway which had been bought by the Darby Nursery Stock company as a vast standing ground for container grown trees and shrubs.

They were there by the hundred thousand and at a rough estimate I concluded that here, and in some other more sheltered standing grounds, there were over 500 varieties of ornamental trees and shrubs from which buyers could choose.

Among them, I observed a considerable stock of the very scarce, slow-growing Brewer's spruce (*Picea breweriana*). "Is there really a sale for that," I asked. "Not yet," was the reply "nor will there be unless we can persuade the trees to begin to develop their distinctive weeping habit in the containers."

Since I have had to wait ten years for my own plants to begin to weep properly I do not give Darby Nurseries a great chance with this particular venture, but it does illustrate both the desire to experiment and the need to present garden centre buyers, many of whom do not know one variety from another and buy solely on appearance, with a really attractiev plant.

Another interesting tree I discovered is a new, narrowly columnar white poplar named Rakat. This was being grown in the open ground by another member of the group, Matthews Fruit Trees, partly for their own trade and partly for containerisation by Darby Nurseries.

The old *Populus alba pyramidalis* is a beautiful tree which takes up little lateral space yet it has never become well known. It would be nice to think that garden centres could give what is said to be an improved form of it a new lease of life.

It was Matthews Fruit Trees who, a generation ago, introduced the family fruit tree, several varieties worked on a single root stock so that, even in a small garden, one could enjoy several different varieties, early and late ripening, dessert and cooking, and also be sure of good pollination since each variety would fertilise the others.

The firm is experimenting with a system of double grafting apples which has proved successful in America. The idea is to combine the dwarfing effect of the apple rootstock Malling 9 with the good anchorage of MM111 whibc needs little or no staking.

Apparently this can be achieved by grafting on to a 10-inch stem of the vigorous stock a five-inch length of the dwarfing stock and then grafting the garden variety on top of that. Matthews already has a considerable nomber of apples double worked in this way and it remains to see how they perform in Britain.

Two innovations by the Darby Nursery are clematis plants grown in containers inside plastic netting "tents" which provide them with initial support and protection, so enabling a much larger plant to be marketed with safety and the introduction from Japan of six varieties of wisteria not previously grown in the UK.

They have been renamed for the British market Pink Ice, with rosy pink flowers; Peaches and Cream, pink in bud but opening nearly white; Snow Showers and Reindeer, both white; Purple Patches, violet purple; and Domino, lilac blue.

Morley Nurseries grows only rhododendrons, azaleas and heathers, and a breakaway nursery from this firm specialises in greenhouse azaleas and camellias. All are grown from cuttings with the exception of five colours of *Azalea mollis* which are grown from Continentally produced seed which produces plants true to colour.

There is no grafting and therefore no problem with suckers. Growth is astonishingly vigorous and even and I have never seen healthier-looking rhododendrons and azaleas.

Part of the explanation of the very even quality of container plants when well grown is that they are at all times completely under the nurseryman's control. They grow in a mixture of peat and sand- probably with some pulverised pine bark and certainly with carefully calculated quantities of slow-release fertilisers supplemented by liquid feeding if necessary.

They get exactly the right amount of water and the optimum degree of shading if that is necessary. It seemed to be the accepted view of these wholesale producers that their plants never received the same skilled attention in garden centres and, therefore, the more rapid the turnover in these, the better for the plants and the customers.

It could be added that the plants are unlikely to find anything like such ideal growing conditions when they are finally planted out, and this can cause disappointment. Risks can be minimised in several ways. One is to prepare a planting mixture of about equal parts garden soil, peat and sand, plus a peppering of fertiliser, and to work a spadeful or so of this around each plant when it is standing in its planting hole.

Another is to loosen very carefully some of the outside roots and lead them into this good soil mixture, and a third is to place a circle of three-foot-high fine mesh plastic netting around each plant to protect it from cold wind and excessive sunshine.

A sad tale of British golf

GOLF

BEN WRIGHT

THE PERFORMANCES of British and Irish professionals in the Open Championship since the golden era of Tony Jacklin are getting worse rather than better—a regretable state of affairs that seems to perturb the leading American players as much, if not more, than our own.

Just consider these disturbing facts. When Jacklin's great fighting heart was broken on the last previous occasion our premier event was played at Muirfield in 1972, our then still emergent champion finished third. Since then only two British players have finished in the top three—Neil Coles, who tied for second place behind Tom Weiskopf at Troon in 1973, and the now expatriate Peter Oosterhuis who was outright second to Gary Player in 1974. Even so it's a doubtful honour, since the old adage that nobody remembers who finished second is painfully true in golf's major championships.

If any crumb of comfort can be gleaned from our poor showing in the six subsequent Championships, and such a crumb is offered more in anger than in sorrow, it is that Carl Mason's tie for fourth place with Jack Nicklaus last Sunday was, at least on paper, the best single effort of the six.

My tale of woe extends to the top 20 finishers in the Championship since, and including, 1972. But just as not many people have lasting memories of the runner-up in major championships who knows, or much cares, outside the player's family, close circle of friends and perhaps club members, who tied for the 20th in any Open? But in including top 20 finishers I am bending over backwards to be charitable, and in hindsight that was probably a mistake, in that it exposes even more clearly the growing measure of our mediocrity.

For instance, in 1972 we had no fewer than nine players in the top 20, including veteran Peter Butler and the small but courageous Guy Hunt, who compensated for his lack of natural ability by means of an admirable penchant for application to his profession. This hard-working pair earn honourable mention because they both subsequently finished in the top 20 three more times, a record only eclipsed by Oosterhuis. But at Muirfield last Sunday only four British players finished in the top 20 — a startling comparison.

Likewise when the 1974 Open was played at Royal Lytham seven British players managed to win top twenty places. But when Seve Ballesteros of Spain won on the same course in 1979 only three of our men equalled that feat. Oosterhuis, second in 1974, was our best placed contender for the fourth year since then but in 1979 he could do no better than finish sixth.

In 1979, Hunt finished in the top twenty for the third successive year, a hat trick since matched by Nick Faldo (1978, 1979, 1980). Besides this pair only Oosterhuis in 1973, 1974 and at Carnoustie in 1975, when he tied for seventh place with Coles to be joint leading Briton for the second year running, Jacklin (1972, 1973, 1974) and Coles himself 1973, 1974, 1975(have finished in the top twenty three years in a row. Jacklin has not finished in that exalted group since 1974, yet he was still written of by some of my more jingoistic colleagues as a potential winner at Muirfield last weekend. The workmanlike Coles was never written of in such a hysterical manner.

Tommy Horton, who in the past has accused me of never having anything good to say or write about British professionals —oh, how short are their memories—was leading Briton in Turnberry's memorable 1977 Open. But his tie for a distant ninth place was the lowest placing of all who achieved that honour since 1979. Horton, however, has two more top-20 finishes to his credit. Brian Barnes matched Horton with three top-20 finishes, but like his great friend, the last of the three was registered in 1976, another sad statistic.

Only three more Britons, Maurice Bembridge, Bernard Gallacher and Peter Townsend have twice finished in the top 20. A total of 20 more golfers have done the trick but once, including Mark James and Christy O'Connor Junior, who were the leading British and Irish contenders in a fifth placed tie at Royal Birkdale in 1976, when they were joined by four more home bred players, including the Irishman Eamonn Darcy. Only in 1973 during the period under review, when Christy O'Connor Senior and Hugh Boyle were the players in question, have two Irishmen finished in the top 20 in a single year.

In the years since 1976, there have been respectively four, three, three and four British names finishing in the top 20 of the Open Championships. And lest you might think I am downgrading Mason's performance last weekend please note that he finished nine strokes behind third time winner Watson, while Oosterhuis was three times three, and once four, strokes behind the winner. Coles was three behind in 1973, and Jacklin but two behind winner Lee Trevino in 1972. Horton was six behind Watson in 1977, while James and O'Connor Junior were nine adrift of the runaway 1976 winner Johnny Miller.

The lessons learned by Jacklin and Oosterhuis in the United States have largely been ignored. More's the pity. I shall rest my case without further comment and pass on to more positive statistics. Why did Watson win so easily last Sunday? The figures reveal a few illuminating facts. While he played the three par fives rather poorly, being three under par for the championship to Trevino's six and Ben Crenshaw's eight under, by contrast Watson played the four par threes in far superior fashion, being two under to the one over par of Trevino and Crenshaw.

But if any two holes were decisive, and I suspect they were, Watson really outdistanced Trevino and Crenshaw at the 386 yards eleventh and 381 yards twelfth. Here a great champion was no less than five under par to the two under of both his closest rivals which, with his play at the short holes, is a conclusive testimony to Watson's inspired ironplay—if it were needed—and it really isn't any longer.

Incidentally, I know Ken Brown took a long time over his final round but not as long as the 4½ hours as appeared in Monday's report. In fact several of us timed the round at 3½ hours.

Ashley Ashwood

Peter Oosterhuis.

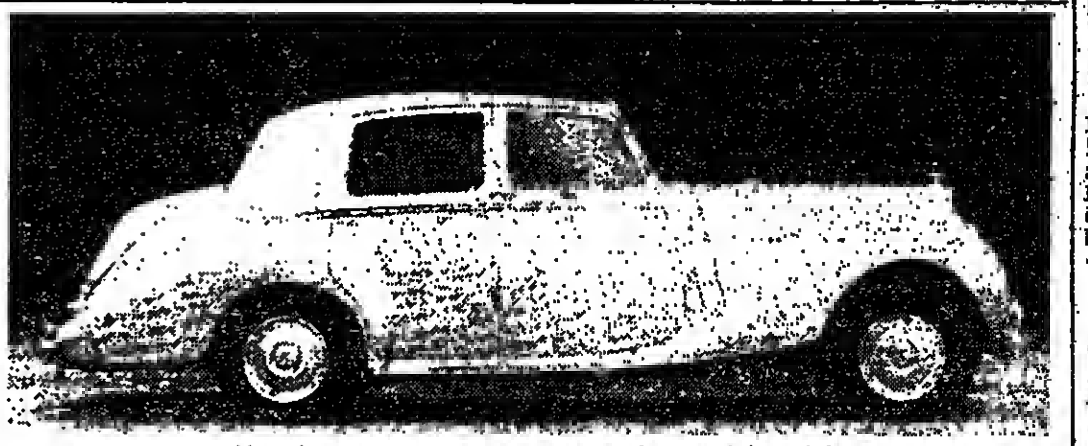
Watson: easy winner.

Trevino: outdistanced.

Old-style luxury

MOTORING

STUART MARSHALL



More than 30 years young. A MK VI Bendey, rebuilt by Mallalieu.

WHY BUY a new luxury car which will suffer rapid depreciation when for the same money you could have a 30-year-old (but better than new) Bentley Mk. VI and see it appreciate?

That is the rationale behind activities at Mallalieu Motors, Abingdon, Oxfordshire, where a small band of skilled craftsmen beaver away within a stone's throw of the doomed MG factory. Amid the economic gloom bringing high interest rates, demand has fallen away for the Mallalieu open tourers that are based on early post-war Bentleys but catch some of the spirit of the thunderous pre-1931 cars (this column June 9, 1979).

But a few top people still seek something out of the ordinary in quality transport and, for prestige at least, a genuine circa 1948 Bentley, looking as though it had just left the factory, surely stands head and shoulders above a 1980 Jag or Merc.

Mallalieu has been restoring Mk. VIs for some time, mainly for their original owners or at least for their heirs and successors. The company reckons to make these 30-year-old veterans good for another generation's service.

The restoration is almost obsessively thorough. It starts with removing the body from the massive chassis, which is sandblasted and hot zinc sprayed to keep rust at bay until well into the 21st century. Engine, gearbox, rear axle and all the lesser mechanical and electrical parts are stripped and rebuilt as new.

The interior is retrimmed in finest hide and carpeted in wall-to-wall Wilton; the walnut veneer is repolished and the body repainted. "You end up with something genuinely better than new," Mallalieu says, "because we take advantage of all the progress made in corrosion protection and painting in the last 30 years."

A Mk. VI Bentley starting life all over again at 30-plus is a fine sight to behold. The elegantly domed front wings sweep back to vestigial running boards. The long bonnet, hinged down the middle, opens up in two halves. The radiator shell (may Bentley forgive me for saying so) is as deep as a ten-ton truck's and the boot looks ever-so-slightly tacked on.

A bit like an optional extra for the buyer who had come down in the world and could no longer afford to send his man ahead with the luggage.

Inside, the proportions are quite different from a modern car's.

The emphasis is on height, not width. (A photographer would describe it as portrait, not landscape.) There is headroom enough for hats to be worn. The back seat has lounging space for two tall people and the windows are deep enough for a view to be enjoyed.

There are no seat belts; they weren't invented, let alone demanded by law, in the late forties and early fifties. But there is a blind to stop a following car's headlights from dazzling the driver. No, dipping mirrors hadn't been invented, either.

I didn't drive the MkVI for many miles last week, just far enough to realise that the performance that inspired *Autocar's* road tester to hyperbole in a forelock tugging report in 1947 is decidely ordinary by today's standards. ("A pinnacle of motoring experience," he wrote, breathlessly.)

His 0-60 mph acceleration time of 17.5 seconds is about the same as a Fiat 127's or a Vauxhall Cavalier 1300's. The Bentley's ride is level, the steering ponderous when compared with contemporary, power assisted layouts. The car is quiet, but not silent.

But it does have style and this is what matters. One wouldn't, after all, buy a restored MkVI with the idea of locking horns on the A25 with homeward-bound reps in their Cortinas. It is a car in which one progresses with reasonable speed and a lot of dignity, being nice to other road users and being treated well in return. One couldn't drive it badly.

Rank (as I noted when testing a RR Silver Shadow II earlier this year) has its obligations. If anything, a 30 year-old MkVI demands and receives even greater respect than a 1980 Bentley T.

The car I tried had automatic transmission. Mallalieu apologised for it. The standard four-speed manual gearbox, with its shift lever between seat edge and door, was much nicer and more in character, I was told.

But what if a buyer really wanted an automatic? Of course he could have one. A better solution, they thought, for the man who wanted a restored Bentley for personal transport, couldn't face life without power steering and preferred two pedals to three might be a Bentley R or S type, made during the mid to late fifties.

Prices are from around £22,000 for a completely rebuilt MkVI, rather less for a refurbished R or S type. And the capital appreciation? For this one must wait and see, but the trend with classic cars has always been upwards.

Le Marmot on form

RACING

BY DOMINIC WIGAN

ON THE balance of his form, both in 1979 and this season, Le Marmot is clearly entitled to go to post a firm favourite for today's King George VI and Queen Elizabeth Diamond Stakes.

At present, the French colt disputes market position with England's chief hope, Ela-Mana-Mou.

Almost certainly France's top second season colt last term, the Francois Boutin bay put up his best performance in the Prix du Jockey-Club and the Arc de Triomphe, neither of which races he won.

In the French Derby at Chantilly for which he started 6—4 favourite, the Amarko colt was, perhaps, unlucky not to get the better of Top Ville. The winner stole a substantial lead when driven clear a quarter of a mile out and by the time Le Marmot's jockey had gone in pursuit, four lengths separated the two colts.

Le Marmot came back strongly in the final furlong with typical resolution, and at the line Top Ville was still a length to the good.

In the "Arc" Philippe Paquet, who made up for that disastrous Nureyev ride in the 2,000 Guineas with a fine effort on Scorpio in the Hardwicke over today's course and distance, went for home on Le Marmot earlier.

Unfortunately at Longchamps, Boutin's colt simply found a top-class rival with a fine turn of finishing speed too much.

Despite again running his race out in determined style and maintaining a strong gallop, all the way to the post, Le Marmot had no answer to the late thrust of Three Troikas.

This season Le Marmot, a handsome chestnut who acts equally well on both soft ground and a fast surface, has lost none of his dash as he showed last time out when gaining his revenge on Three Troikas strictly on merit in the Prix Ganay.

SELECTIONS

ASCOT

2.00—Cracking Form
2.35—Kittyhawk*
3.20—Le Marmot***
3.55—Vaslav**
4.25—Rainfall
5.00—Piaffer

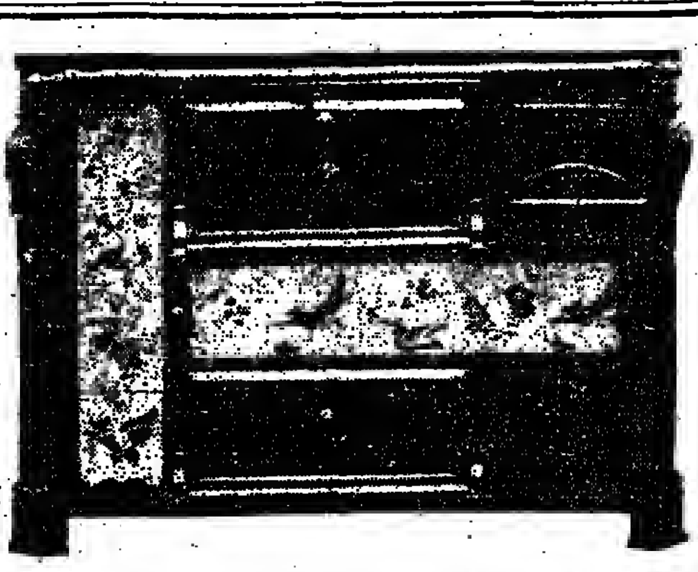
NEWCASTLE

1.45—Rye Moss
2.15—Kampala
2.45—Go Total
3.45—Top Reef

HOW TO SPEND IT

by Lucia van der Post

Warming-up



I'VE written about the stoves sold by David MacIlwaine and Rose Gray before now but readers might like to be reminded about them because their collection of one-off rare old stoves is ever-changing. They currently have a splendid selection of highly-decorative, very beautiful stoves which they have culled from all over Europe. Some of the collection was sold at the recent exhibition they held at The Building Centre, 26 Store Street in London but they still have quite a few of them left, in particular one of the beauties from the collection—the kitchen cooking range, photographed right (it is unfortunately also one of the most expensive, costing as it does £800).

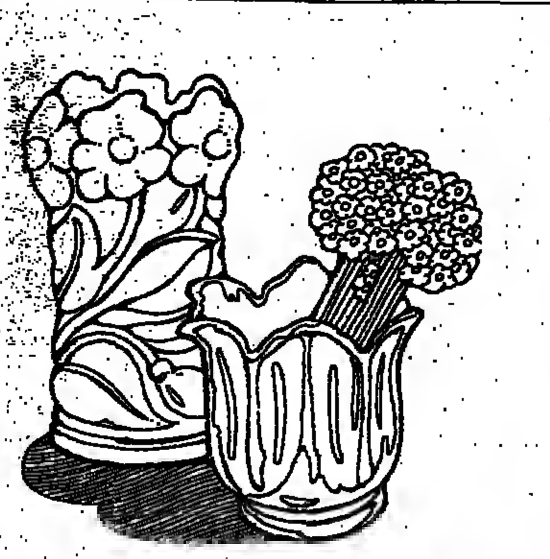
Though the cooking ranges are quite rare there are large numbers of the upright closed stoves, all of which are exceedingly efficient and economical to run. The antique stoves are becoming more and more expensive as they become more difficult to find and increasingly sought-after. Prices at the exhibition ranged from £50 for a few of the cheapest ones to £2,000 for the most rare. Most of the stoves are between £200 and £800.

Besides the rare antique models Home Stoves (as David MacIlwaine and Rose Gray call their company) also sells three stoves which although manufactured today are designed around the decorative tradition of the antique stoves. The castings of the three stoves are exceedingly fine, and though two of them (the "Le Select" and "Le Grand Select") are finished in plain enamel one of them ("The Poppy") is even more elaborate with a choice of decorative tiles or panels.

Specifications for stoves are long, intricate and complicated so anybody wanting to know more about them should write to Home Stoves, 113, Warwick Avenue, Maida Vale, London, W9, for the full-colour leaflet which gives details of materials, heat output, fuels to be used and all the other vital information. Prices for these modern stoves are quite high—starting at £271.

Anybody wanting to see the selection of antique stoves can visit the warehouse at 12, Highbury Terrace Mews, London, N.12, between 11 am and 4 pm, Monday to Friday.

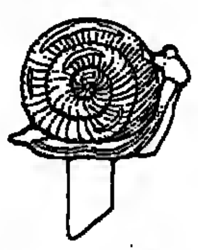
Well-contained



Drawings by Anne Morrow

It always astonishes me how difficult it is to find a really attractive vase. It seems such a simple everyday requirement and yet if you ever set out to search for one you will discover just how scarce they are. The stores abound with monstrously decorated fake Grecian urns, with over-elaborate cut-glass vases and all manner of pretentious containers that are to my mind much less suitable holders for flowers than much simpler designs. If you prefer something a little less stark than the very plain ceramic and plastic vases sold notably by Habitat, Peter Knight of Esher and Beaconsfield has a good selection of ceramic ware which seem to me to make admirable vases and cache-pots. Sketched near-left is a light biscuit-coloured cache-pot from Portugal with a pearlised finish. Part of a series, all of different sizes, this particular one is 6 ins high, 4 ins at its widest point and costs £6.10 (p+p £1.80). Sketched far left is a ceramic vase which I think looks best in white but also comes in green and pink. It is 9 ins high, costs £8.60 (p+p £1.80).

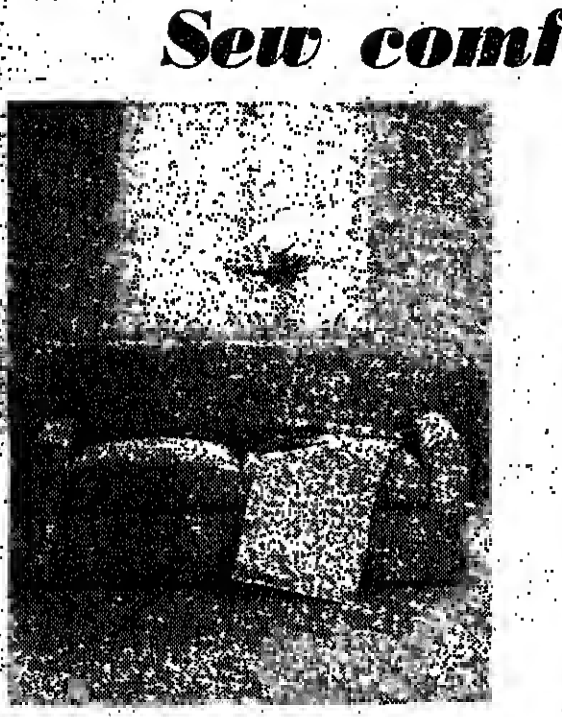
House-plants, as we all know, are expensive nowadays, and anybody who has a substantial collection of them, carefully nurtured over the years, feels as anxious about leaving them uncared for when going on holiday as any pet. These little china humidifiers are



charming to look at—shaped like *snails*, or *swans*, *frogs* or *rabbits* —but they also serve the vital purpose of keeping the plant moist. Fill the hollow in the centre of the animal with water, plunge it into the soil of the plant and the

porous stem lets dampness seep slowly into the soil. How long they keep the plant moist depends on weather conditions—don't, obviously, leave them in direct sunlight. They won't last a fortnight but a neighbour could perhaps top them up once or twice. The animals are £2.40 each (p+p £1.35) from Peter Knight of Beaconsfield and Esher

Sew comfortable



Anybody looking for a new sofa is likely to get a very nasty surprise when they look at the accompanying price tag. Some of the best value I know of is to be found at Habitat shops where you can currently buy a beech-framed sofa, called Chameleon for only £125 (and if that doesn't seem cheap to you then you haven't been looking at price tags recently). The sofa is sold with a heavy hand-woven cotton cover (in go-with-everything oatmeal) with two seat cushions. However, those who find the plain cover somewhat dull, or feel they might like to change the cover the way the Americans do, according to the season, will find that they receive a full-size paper pattern with the sofa which gives complete and detailed instructions on how to make up loose covers. It seems to me an exceedingly good idea and one that many other manufacturers might copy—making up loose covers isn't difficult once the measuring and paperwork has been done for you, but without these to guide you it becomes extremely difficult for all except the experts. Anybody wanting the sofa will find it in all Habitat stores now.

Tails of the deep

BY JULIE HAMILTON

JOY of joys . . . the aroma of fresh sardines sizzling in butter wafting through my kitchen, evoking memories of Italian and Spanish haunts. . . .

Safeway supermarket has been promoting fish very successfully lately, offering a wide variety. Anthony Slade, manager of Lewes Safeway in East Sussex, told me the supermarket would happily get any available fish that was asked for. It might, for example, have to drop monk fish from its regular supplies because of poor public interest but it would still do its best to meet a special order for it. Some fish, of course, are seasonal and the weather at sea governs the quantity and variety of the supplies.

I was agreeably surprised by the prices and quality. No fish bought in a shop can be as *fresh* as it was at the time of landing, but none of Safeway's fish have been deep frozen. They are only chilled.

Among the fish that took my fancy were fresh sardines at 59p per pound (enough for four *starters* or two as a main *course*); squid at 89p per pound, skinned and with the tentacles removed, leaving tubes which are delicious sliced and fried in lemon and butter or stuffed; red snapper at 69p per pound, which means that for £1 you have a fish large enough for two or three portions; red bream at 69p per pound for the whole fish or 99p per pound for fillets; dabs at 49p per pound, giving you two fish for £1.17p; whole hake at 74p per pound; Dover soles at £2.90 per pound (they weigh less than a pound each); halibut fillets at 90p per pound; crabs at 89p per pound (a good-sized one for £1.65); monk fish at 56p per pound or £2.50 for the whole fish (well worth trying but you must not be put off by its grotesque appearance. It can be cut up and cooked as you would scampi or you can marinate it in oil, lemon and herbs overnight and simply grill it); lobsters at £2.99p per pound, which sounds a lot but you can get a small one for £2.21p or a fair-sized one for £3.76p.

Red snapper

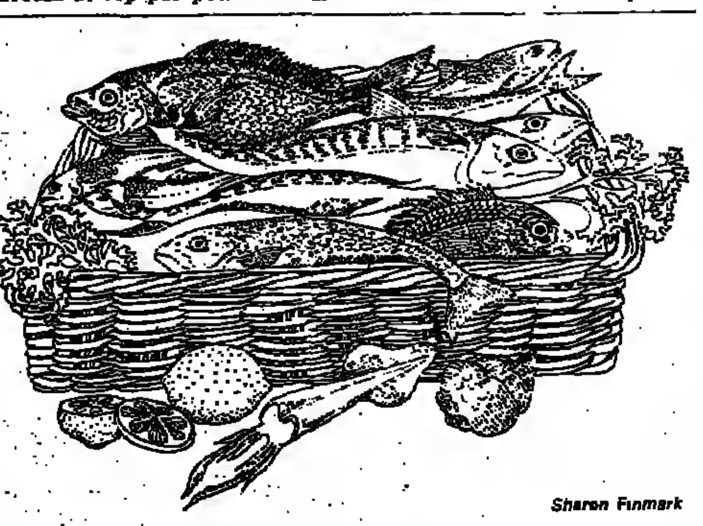
serves 4

Red snapper comes from Norway and is a firm-fleshed fish of delicate taste.

1 red snapper weighing approx. 2 lbs; bunch of fresh thyme; 1 small lemon; 3 knobs butter; 10 tablespoons dry white wine; 4 tablespoons olive oil; salt and pepper

Scale and gut the fish. Do not cut off the head because the cheek is the prize morsel to the fish connoisseur. Slice the lemon and then quarter the slices. Stuff the fish with two-thirds of the thyme and lemon and one knob of butter. Make an incision each side of the back bone and insert the remaining thyme, lemon and butter.

Rub the skin with salt and sprinkle with pepper. Place the fish on a cake cooling rack in a large baking tin. Pour the wine and oil over the fish and cook for approximately 20 minutes in the oven at gas mark 5 (375F). When serving, pour the juices from the pan over the fish.



Sharon Finmark

Red Bream

serves 4

Perhaps the best of all is red sea bream. I have never cooked it before. Come to that, I cannot recall ever having eaten it in a restaurant here or abroad. From now on I shall scan all menus to make sure I do not miss it. Even if fish is not your favourite food, do try this, please.

1 red bream; 1 sprig of each of these herbs: sage, thyme, mint, basil, majoram; 4 large fresh tomatoes; 1 lemon; 10 black olives; 10 anchovy fillets; 1 wineglass olive oil.

Do not cut off the head but scale the fish well and gut it. Scaling takes time but it is important because the skin of this fish is tender and tasty.

Rinse the fish out and pat it dry. Put the bunch of herbs inside and place the fish in an oven-proof dish. Cut the lemon into thick slices and lie them on top of the fish. Slice the tomatoes and place them all round, but not on top of, the fish. Pour the oil over and bake in the oven at gas mark 5 (375F) for 20 minutes or so. Roll each anchovy fillet firmly round a black olive and, five minutes before the fish has finished cooking, add them to the dish. Serve straight from oven to table.

The next day I made a small soup from the head, bones and the bits and pieces left in the dish. I added a little white wine, a few tomatoes, a little water and plenty of seasoning. I strained it and added a carton of sour cream. Not bad!

Stuffed squid

serves 4 as starter

12 oz squid tubes; 4 oz lean bacon off-cuts; 1 tablespoon freshly made tomato coulis (a concentrated sieved tomato sauce); 1 heaped teaspoon rosemary; 2 large cloves of garlic; 2 slices bread, crumbed; salt and freshly ground black pepper; olive oil and butter for frying

Finely mince the bacon and garlic, combine it with the tomato coulis, breadcrumbs and rosemary. Beat the mixture well together or put it in a food processor. Season with salt and pepper.

Use a small teaspoon to place a little stuffing in each squid tube. Fasten the open end with a wooden toothpick. Dust the stuffed squid with flour and fry in equal quantities of olive oil and butter over a low heat for approximately half an hour. Transfer to a serving dish and pour over the cooking juices. Offer wedges of lemon and hot French bread.

Stuffed sardines — tails up

serves 6 as starter

Fresh sardines are a treat. Although it is hard to beat the simple method of dusting with seasoned flour, briefly frying in butter and serving with lemon, you can make a very impressive starter by stuffing them.

2 lbs fresh sardines; 2 slices bread, crusts trimmed off; 2 tablespoons olive oil; 3 or 4 large cloves garlic; bunch of parsley; piece of lemon rind the size of a sixpence; salt and lots of freshly ground black pepper

Cut off the heads, split the fish open almost down to the tail and remove the back bone (as you would fillet a herring). Make the stuffing by combining all the other ingredients in a food processor or blender. Lay the fish flat on their backs. Spread a thin layer of the stuffing over each sardine and roll them up, starting at the head end. Pack them tightly in an oiled oven dish, with their tails in the air. Pour a little oil over them and bake for approximately 10 minutes at gas mark 8 (450F). Serve with large wedges of lemon and French bread.

In the third part of our HOW TO EARN IT series SALLY WATTS looks at ways and means of building on your domestic talents.

Cashing in on your home skills

WHEN mothers who have been househound cast around for ways of earning money, they often overlook the things they know best—the skills related to home and family. If you are good at making children's clothes, for instance, you might like to consider the possibilities of going into mail order. If you can find a gap in the market to fill, so much the better; otherwise, decide what you think would be the most promising age group and type of clothes to offer.

You may like the idea of joining forces with another parent, one designing and the other handling the business side. One mother, a former actress, whose partnership did well, told me that the great advantage of mail order is being able to work at home and be there when the children return from school, being your own boss, and arranging your own hours. The drawback is the difficulty of winning people's confidence. "So always give quality, or you'll go bust before you start," she added. "Never disappoint a single customer. Surprise them by making the garments nicer than they expected."

She and her partner believed in specialising. Their big line was Victorian-style dresses for toddlers and pre-teens. Another woman decided to concentrate on tough, casual clothes for girls and boys.

You can even go into mail order without designing at all, by buying up seconds and end-of-lines from manufacturers. If there are none near you, subscribe to the trade press, such as Draper's Record, and find them there. Either way, you will need to produce a twice-yearly brochure. This will be your advertisement, so make it as professional as possible, with good photographs or, better still, sketches. If you decide on drawings, perhaps you could arrange for a local art school student to undertake the art work. Then you could try sending your brochure to women's magazines and local newspapers (look them up in *Willing's Press Guide*), and ask them to give you a mention.

One mother, who ventured into the mail order business last November, was amazed to receive 5,000 orders in her first six months. "You just need a bit of gumption," she says—something well worth remembering.

An easier way to make money from children's clothes might be to start a "swap-shop" at home where, as well as buying, parents can bring things on a sale-or-return basis. Choose your age group, and insist that clothes are laundered or dry-cleaned. If space permits, include equipment such as cots and high-chairs and charge commission for selling. One mother also buys in bulk from individuals and from shops that are closing down. A good way to begin is by distributing leaflets among parents at the school gates when they collect or deposit their children.

If selling is not for you, think about starting a nursery or play-group, or becoming a child minder, particularly if you have a pre-school child of your own, around whom to build it. First, though, contact the social services department of your local authority, as you have to be registered and must comply with its requirements, which vary according to the number of children.

Or perhaps you have a flair for making curtains, and could make them for other people? I recently heard of someone who does this with such skill and flexibility that she is able to offer a very good service, so much so that a number of people asked her to go one stage further and take charge of their interior decorating — a good example of small beginnings leading to bigger things.

Then there's cookery—most housewives don't manage to get by without becoming reasonable cooks. Orthodox cooking does not usually pay very well unless you have had good training, so consider taking a course, where you will learn about costing and buying. (Try your local polytechnic or further education college.) Of course, if you are Cordon Bleu trained, you're away!

Alternatively, could you offer offbeat lines, such as health foods or special occasion cakes? Or supply places which go for more informal catering, perhaps the local theatre, arts or community centre? Or undertake to refill the freezers of busy career women with a home to run? Or cook for other people's dinner or cocktail parties, lunch parties or receptions? These services are likely to be sought by people who work all day, yet also want to entertain.

There are some firms without catering facilities that stage receptions or buffet lunches from time to time, and need someone to provide delicious food. You could circularise local firms, giving brief details of the service you offer, and put an advertisement in your local paper.

Decide which dishes you feel competent to cope with, and also the maximum number of guests. It's best not to be too optimistic too soon, or you could well find things getting out of hand, just when you need to be calmly in control. You will need a large refrigerator or a freezer, and for most cooking activities a car will be useful. Be prepared to have your kitchen inspected, as there are specific requirements about preparing *food* for public consumption.

A new book provides a good example of the success that can be achieved by using your home skills, in this case cookery. It is called *Geraldene Holt's Cake Stall*, and gives recipes for the cakes she made and sold—with amazing speed — at a stall in Tiverton Pannier Market, Devon.

Mrs. Holt, who lives at Cullompton, had been making her cakes for 20 years, but only for her family and, sometimes, for the pupils of her headmaster husband. Her special hobby was pottery, but during one icy winter spell the incompleted pieces of pottery froze, so she cast around for an alternative interest and came up with the idea of a cake stall.

This did so well, and so many of her customers wanted to know how to make the cakes, that she went on to compile the book, which will be published by Hodder and Stoughton on September 4 at £6.95.

The crucial thing is to keep an eye open in your area for any services that are lacking and then offer to provide them. You could set up a service that takes on various jobs for people, such as keeping an eye on their home when they go on holiday, airing it, feeding the pets and forwarding the mail. You could also offer help in meeting children from school or emergency helpers to take over the running of the home should somebody fall ill.

Your first needs will be plenty of time, plus a nucleus of sensible, reliable helpers.

Whatever you decide to do, don't be surprised if you are nervous to begin with. Most people are when they start something new, but that need not stop them being a great success.

Next week: Polishing-up Rusty Skills.

ARTS

Makarova as Manon

BY CLEMEMT CRISP

As the Abbé Prévost's heroine, as Kenneth MacMillan's heroine — for she was marvellously both—Natalya Makarova produced a performance of great beauty on Thursday night at Covent Garden. Manon is a role in which Makarova displays all the capricious, delicious femininity which she can so happily command, and for a character whose nature combines innocent sexuality with a greed for the rewards she so swiftly realises she can win, Makaroca gives her dancing an erotic bloom which is entire justification for the drama.

We know from the moment that Manon steps into the inn yard that this girl could never have reached a convent. Her freshness is too alluring, and she is all too readily caught up in her brother's corrupt world; the extraordinary choreographic image in which des Grieux (Anthony Dowell at his very best) hold Manon high in the air, then swoops across the stage with her in a descending diagonal that ends in an ecstatic embrace on the ground becomes a symbol of their plummeting into love. The rapturous duet in des Grieux' lodgings is an innocently delighted avowal of the lovers' pleasure in their bodies: Makarova and Dowell give themselves totally to each other as to the dance.

With the appearance of GM bearing gifts, and the sudden, heady scent of luxury, Manon's reactions seem hardly less erotic as she draws a furred robe around her, senses the diamonds at her neck. The subsequent indecisions—Makarova kneels and touches the bed with the sweeetest regret — are lightly, prettily done, and then she yields herself up to wealth.

That this is role-playing, that Manon's tragedy is the fact that she cannot become a successful cocotte because first love has touched her too deeply, is admirably suggested by Makarova in the party scene of Act 2. She enters the room on GM's arms, lustrous, beautiful. But her new-found worldliness cannot sustain the presence of des Grieux, and Makarova makes fine dramatic capital from Manon's deliberately not looking at des Grieux (Dowell the incarnation of a distraught, reproachful glance), and yet being unable not to look at him. She maintains her new identity, a reassuring hand put to her jewels, and in her solo seems to flirt with the music, with the dance, with her own beauty, so as to remind herself of her success. This solo, and the succeeding *pas d'action* in which Manon sails on the arms of her admirers, were presented by Makarova as if she were borne on a wave of physical desire.

Ravishing here, as elsewhere throughout the first two acts, the dance in its fullness and luminosity—that sense in which the stretch of movement and its richness of tone identifies the young, sexually intoxicated Manon. Great dance acting depends on a fundamental physical impersonation quite as potent as the artist's emotional response to dramatic situation. Makarova becomes Manon, in dynamic terms that seem to transform the quality of her being: the muscular utterance that paints Manon in her radiant youth in the first scenes is very different from the manner in which the poor relic of Act 3 moves, the dance as wearied and bleached as the character it presents.

No less rewarding the way Makarova deals with the later moments of the party scene, where she shows Manon petulant and angry at the haunting presence of des Grieux, uneasy, and finally driven to acknowledge her love for him again. Every nuance of feeling is shown in consummate dramatic playing — parlando recitative no less potent and thrilling than the effusions of the dance arias that precede it.

As the deportee of Act 3 Makarova is a lost soul, drifting through the world, her only emotion a revulsion at everything which recalls her past life. The final duet is the last flaring of her love for des Grieux: spirit, heart, body are broken. In detailing Makarova's portrayal it must be said that at every moment Dowell's reading of des Grieux complemented and illuminated it. Thus the partnership produced not two performances but one, and that an interpretation of greatness.

I could have wished for a stronger reading of Lescaut from Michael Coleman than the amused libertine he presented, and I can only surmise that the orchestra believes Massenet to be an inferior brand of John Philip Sousa. On all other counts, an evening for the history books.

The War in [illegible] Vale
There is Life in the Old Dogs Yet

Edward Ardizzone

BY WILLIAM PACKER

We are inclined to consign our artists perhaps a little too readily to their particular pigeon-holes: not that the habit is without its uses, but rather that what has become habitual is also likely to be less well considered, the conveniences of simplicity over-riding caveat and complication. We may say, for example, that A is an impressionist and B an expressionist, or C a romantic and D a formalist, all of which may be perfectly true, but only up to a point. So it is when we distinguish between kinds of activity, X a painter, Y a designer, Z an illustrator—except that the order of precedence among the disciplines being what it is, the very business of docketting can write an artist off for good. We forget that a commission is a commission, whether for a painting or a book-plate; that oil paint is no more virtuous a stuff than ink or water-colour; that great artists may work small.

Edward Ardizzone, who died last year, demonstrates the case exactly. He was an artist of a very particular Englishness, standing honourably in that long line of social observers, tart or affectionate as maybe, that goes back through the great Punch illustrators, such artists as du Maurier, Leech and Keane (not all of whom have been given anything like their due), all the way to the great figures of Gillray, Rowlandson and at last to Hogarth.

His own bread and butter came by illustrating magazines and books, most usually children's books, which gave the extraordinarily wide public he reached every chance to admire and relish his work whilst never putting it under any pressure to take it seriously. Modest, apparently unambitious in its scope, closely observed in its material and wonderfully easy as comic as it is pathetic. In evitably to disqualify itself as Art. The touring retrospective got up by the Scottish Arts Council and now at the Imperial War Museum (until August 3) comes therefore as a salutory reminder of the truth that an artist is no less an artist for choosing the ground that suits him best. More than that, it is a splendid vindication of a life's work.

The charm is there in heaps, leavened with wit and humane generosity. Ardizzone had the sharpest of eyes for human vanity and frailty, especially as revealed in the ever-turning Dance of the Sexes, inherently as comic as it is pathetic. In this, and also in his general sympathetic interest in low life, the life of the street and the bar, he is close to Rowlandson, though with none of his lasciviousness and bawdy, nor his open mocking of so many of his subjects. Ardizzone's eye, by contrast, is sharpened by nothing if not affection.

He lacks Rowlandson's superb graphic technique, of course, but that should not blind us to his own quiet virtuosity, his peculiar ability to catch with such economy of means the gesture proper to each social circumstance, the exact flavour of each situation. Here is the problem, for, so right in atmosphere and character is each little group, each pub and shop and drawing room, that it hardly occurs to us to notice just how well the trick is done, how right the drawing for all its characteristic bungey style, how solid the form, how sound the construction. We believe utterly in his enchanted pictorial world.

The exhibition covers the work of 50 years, drawings, prints and water-colours, and such intriguing odds and ends as terracottas and Christmas cards. It includes a substantial group of works done in his five years as an official War Artist; but even with these his eye is not so often taken by the obvious mayhem of War, as by the life continuing in and around it, the Home Guard ogling a pretty girl, another chatted up in the pub. The severed boot in the Sicilian orchard is the more shocking for being so rare, at least in this selection. Andrew Murray of the Mayor Gallery chose the works, and is showing a small group of other works in Cork Street throughout July.

Varèse Ensemble

BY ANDREW CLEMENTS

A young group born out of the music department of the University of Surrey, the Varèse Ensemble conducted by Martin Pring delivered a tough, meaty programme in the Purcell Room on Thursday evening. A pair of first performances was sandwiched between enthusiastic versions of Varèse, Birtwhistle and Gerhard: the brassy, rough-edged style of the playing suited Varèse's *Octandre* best and Gerhard's *Leo* Least. Unleashing a large ensemble in the confines of the Purcell Room is a hazardous business and Mr. Pring never quite managed to establish a consistent range of dynamics: too much of the concert was played at a norm of *forte*, with some climaxes stepped up to unpleasant levels.

It could be that this lack of finesse also took the sheen off the two new works. Tim Ewer's *Dune I* and *II* is not afraid to make quite grandiloquent gestures out of the simplest of means, a scale or short chord sequence, for instance, nor to construct two dissimilar movements out of the same unpromising material, used vertically in one and predominantly horizontally in the other. But its suggestion of an exercise in compositional facility was emphasised by the apparently utility scoring: none of the ideas seemed to have been considered for their suitability for instrumental writing, and many of the climaxes would have benefited from more lucid presentation.

Sebastian Fortes's *Sonota for ten* was written especially for the ensemble; Forbes is a lecturer at *Surrey University*. The new *Sonota* continues with the preoccupations of a number of his recent compositions, with precise proportioning between sections and tessellated structures. Some Stravinskian flourishes for the wind aside, it left a faceless impression, though the ground-plan was logical and easy to follow.

Cry on Radio 3

BY ANDREW CLEMENTS

Even in these days of attrition, on Wednesday evening Radio 3 still managed to come up with a first performance. Giles Swayne's CRY, for 28 amplified voices, is the result of a commission for a piece for the BBC Singers; it was finished at the end of last year.

The BBC could not have expected such a large-scale ambitious work. It lasts over an hour and is almost text-less; the singers, each of whom has an independent part, are arranged in a symmetrical arc with the lowest voices in the centre and the highest sopranos on either side.

Seven movements correspond to the seven stages of the Creation. Each section has a descriptive title, and Swayne's basic material of phonemes and isolated syllables is used to produce a series of tone pictures. Only in the final two sections, for the first appearance of Man and the final day of rest, do the names of Adam and Eve and the single word "Anima" evolve from the textures. Elsewhere, the vocal effects are simple and easily apprehended — the quietest of whisperings to represent the original void, staccato cries against sustained chords for the appearance of the stars, a rumbling crescendo for the male voices as creatures emerge on to land.

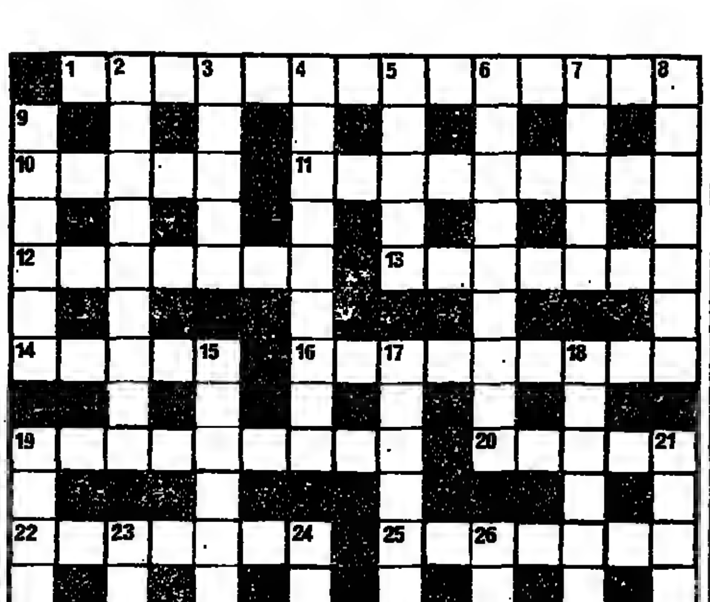
The structure of CRY is tidily bound together by clearly defined harmonic skeletons and a collection of recurring rhythmic patterns. Textures of considerable complexity are generated and the writing for the singers is always practical and precisely imagined. But this very clarity and logic becomes eventually a disadvantage, too much is predictable, the shape of many passages too straightforward. The way in which Swayne can generate considerable extents of music from the slimmest of musical ideas is impressive in itself, but to hold the attention over such a time span more than technique is required.

F.T. CROSSWORD PUZZLE No. 4,332

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



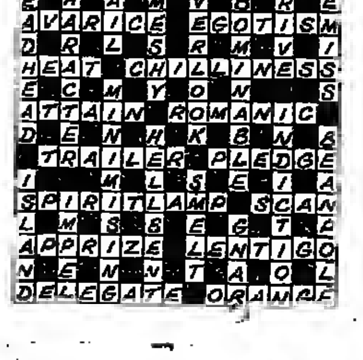
ACROSS

1 Warm up her concoction, it's multi-coloured stuff (7-7)
10 Nimble soldier in drink (5)
11 Expression of dissatisfaction in ailment (9)
12 Revolving sieve initially taken to German general (7)
13 Salesman allowed to take third of diet but is completely filled (7)
14 Toss a cocktail (5)
16 Time to get up and yield to circumstances (9)
19 Put into new words to explain (9)
20 Moral significance of those with tail at the front (5)
22 Silly fellow going to fish from young tree (7)
25 Eastern leader with a spread of food that may be consumed (7)
27 Writing material for church people in part (9)
28 Understand a concealed difficulty (5)
29 Record margin by a Conservative is favouring some (14)

DOWN

2 One who abridges poem, it's it when translated (9)
3 Unit of gas or gas used in school session (5)
4 Lift a qualifying clause (9)
5 One who copies part of item I merchandise (5)
6 Instrument to change to help yon ox (9)
7 Combine it in French article (5)
8 Most violent end (7)
9 Insect making chap sit up (6)
15 One who adds herbs etc. gets his mixed in store (9)
17 Doctor the article before ten, it's dilapidated and tatty (4-5)
18 Resident wearing official dress before alternative (9)
19 Tasteless but fashionable drink I had briefly (7)
21 Look at three-quarters of them and be angry (6)
23 Equal value is capital (5)
24 A small amount of brightness (5)
26 I must appear in diplomacy it's understood (5)

Solution to Puzzle No. 4,331



TV/Radio

BBC 1

† Indicates programme in black and white

7.15-8.30 am Open University (Ultra high frequency only). 9.00 The Banana Splits. 9.35 Per Chance to Dream. 9.40 The Flashing Blade. 10.00 Athlete. †10.25 Zorro. 11.15 Cartoon. 11.22 Weather. 11.25 Cricket: The Fourth Test: England v West Indies.
1.30 Olympic Grandstand: Olympic Games (1.35, 2.05, 2.40, 3.30, 4.10) including Athletics, Swimming Finals, Cycling Finals and Boxing; Racing from Ascot (1.50, 2.25, 3.00); Cricket: Fourth Test (2.05, 2.40, 3.30); 6.35 Final Score.
6.45 News.
6.55 Sport/Regional News.
7.00 Saturday Night at the Movies: "Friendly Persuasion" starring Gary Cooper.
9.10 Parkinson meets Peter Sellers (1974).
10.10 News.
10.20 Telford's Change.
11.10 Olympic Report.
†12.10 a.m. Phil Silvers as Sergeant Bilko.

All Regions as BBC1 except as follows:

BBC Cymru/Wales—6.55-7.00 pm Sports News Wales. 12.25 am News and Weather for Wales.

Scotland—12.25 am News and Weather for Scotland.

Northern Ireland—6.55-7.00 pm Northern Ireland News, Sport. 12.25 am News and Weather for Northern Ireland.

England—6.55-7.00 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.45 pm Open University.
2.50 Saturday Cinema: "The Merry Widow" starring Lana Turner and Fernando Lamas.
4.30 Cricket: Fourth Test.
6.35 A Horse of us own.
7.05 Cartoon.
7.20 Dallas.
8.05 News and Sport.
8.15 Nine Lives (Film biography of Claude Chabrol).
9.15 The Hong Kong Beat.
9.40 Cricket: Fourth Test (highlights).
10.10 Horror Double Bill: "The Curse of the Werewolf" starring Oliver Reed.
11.40 News On 2.
11.45 Return Call to Brass Tacks.
11.55 Horror Double Bill: "From Beyond the Grave" starring Peter Cushing.

LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Space Academy. 10.30 Fun Factory.
12.30 pm World Sport: 12.35 Olympics '80; 1.00 International Sports Special (Cycling); 1.15 News. 1.20 The ITV Seven (from Beverley and Newcastle); 3.10 Olympics '80; 4.15 Wrestling; 4.45 Results Service.
4.55 News.
5.00 Olympics '80.
7.00 Rock with Laughter.
7.30 The Crowther Collection.
8.00 Sale of the Century.
8.30 From Here to Eternity.
9.30 News.
9.45 Sweeney Todd, the Demon Barber of Fleet Street.
11.20 Celebrity Concert: Burt Bacharach.
12.20 am Close: Cyril Luckham reads Lord of the Evening.

All IBA Regions as London except at the following times:

ANGLIA

9.20 am Fantasy Island. 11.30 pm A Real Fire. 12.30 am At The End Of The Day.

ATV

8.10 am Treasures In Store. 8.35 The Television Programme. 10.00 Bailey's Bird. 11.30 pm Lifeline.

BORDER

9.10 am Treasures In Stores. 9.35 The Television Programme. 10.00 The Beachcombers. 11.20 pm Paris.

CHANNEL

6.57 pm Puffin's Pla(i)ce. 11.20 Celebrity Concert (Jack Jones). 12.15 am Weather.

GRAMPIAN

9.30 am Cuir Car. 10.00 Superman. 11.20 pm Seachd Laithean. 11.35 Reflections. 11.40 Musical Special.

GRANADA

9.30 am Treasures In Store. 10.00 Mr. Magoo. 10.05 Batman. †11.20 The Hollywood Thriller: Barry Fitzgerald in "And Then There Were None."

HTV

8.10 am The Television Programme. 8.35 Getting On. 10.05 Fangface. 11.20 pm Vegas.

HTV Cymru/Wales—As HTV West/HTV General Services except: 7.00-7.30 pm Sion a Sian.

SOUTHERN

9.10 am Treasures In Store. 9.35 Fantasy Island. 11.20 Late Call. 11.25 SWAT.

SCOTTISH

8.00 am Sesame Street. 10.00 Fangface. 10.27 Regional Weather Forecast. 7.00 pm The Trevor Baker All-Weather Show. 11.20 Southern News. 11.25 Have Girls Will Travel.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Tarzan. 9.55 Saturday Shake-Up. 10.05 Moby Dick and the Mighty Mightor. 10.30 Saturday Shake-Up. 10.50 Saturday Morning Movie: "John and Julie" 12.20 pm Saturday Shake-Up. 12.25 Check It Out Extra. 11.20 SWAT. 12.20 am Poets' Corner.

ULSTER

9.35 am Treasures In Store. 10.00 Bailey's Bird. 9.44 pm Ulster Weather. 11.20 Sports Results. 11.25 George Hamilton IV.

WESTWARD

9.30 am Call It Macaroni. 9.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 6.57 Westward News. 11.20 Celebrity Concert (Jack Jones). 12.15 am Faith For Life. 12.20 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Fantastic Four. 8.15 Man From Atlantis. 10.00 Alright Now. 11.20 The Real Fire. 12.20 am The Entertainers.

RADIO 1

(S) Stereophonic Broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Steve Wright (S). 2.00 A King In New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock On Saturday (S). 7.30-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds (S). 10.07 Pete Murray's Saturday Show (S). 1.02 pm The Impressionists. 1.30 Olympics 80 and Racing from Ascot. 5.45 Classified Check. 7.02 Three In A Row. 7.30 Sports Desk. 7.33 Big Band Sound (S). 8.02 Europe 80 from Sweden (S). 9.02 Festival (S). 10.02 The King's Collection with The King's Singers (S). 10.30 Band Parade (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.55 Bandstand (S). 11.25 Cricket—Fourth Test: England v West Indies, including 1.35 pm News. 1.40 A View from the Boundary. 2.00 Lunchtime scoreboard. 6.40 The Organ Works of J. S. Bach (S). 7.15 Lawrence Travelling (reading from D. H. Lawrence's writings on travel). 7.30 Concert, Part 1 (S). 8.15 Jerome K. Jerome. 8.35 Concert, Part 2 (S). 9.40 The Letter (Story by Robert Forrest) (S). 10.00 The Classical Guitar (S). 11.00 News. 11.05-11.15 The Delightful Pocket Companion (S).

VHF—with Medium Wave except as follows: 8.00-8.00 am Open University. 11.25 Haydn (S). 11.45 I Know What I Like—Basil Deane with records (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Scottish National Orchestra (S). 3.25 Violin and Piano recital (S). 4.05 Offenbach Operettas (S). 5.00 Jazz Record Requests (S). 5.45 Stanford and Britten cello and piano recital (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Yesterday In Parliament. 8.59 Continental Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster. 10.30 Daily Service (S). 10.45 Pick Of The Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Keeping Track (S). 12.27 The News Quiz (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 A Dance To The Music Of Time by Anthony Powell. 3.25 Join Radio 3. 5.00 You Said It. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. Continental Travel. 6.15 Desert Island Discs with David Scott Blackhall. 6.55 Stop The Week with Robert Robinson. 7.35 Ian Wallace with Records (S). 8.30 Saturday Night Theatre (S). 9.45 Back To Sangro. 9.58 Weather. 10.00 News. 10.15 Between Two Lives (report from Austria on the growing tide of refugees from the Soviet bloc). 11.00 Lighten Our Darkness. 11.15 The Magic of Music (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Gael Mala. 8.00 Network. 9.00 The London Interview (Lord Delfont). 10.00 David Simmons—Nightline. 1.00 am Night Extra. 4.00 Hayes On Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

6.00 am Breakfast Show with John Sachs (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Edward's Soul Spectrum (S). 8.00 "Summer in the City" with Nicky Horne (S). 10.00 David Rodigan's "Roots Rockers" (S). 12.00 After Midnight with Peter Young (S). 4.00 am The Collection (Classical Music) (S).

TV RATINGS w/e July 20

TV RATINGS
Week ending July 20

UK TOP TWENTY (viewers m)

1	Coronation St. (Wed.) (Gran.)	13.35
2	Last Of The Summer Wine (BBC)	13.20
3	Coronation St. (Mon.) (Gran.)	12.85
4	Crossroads (Wed.) (ATV)	12.50
5	Grundy (Thms.)	12.15
6	Brannigan (BBC)	12.10
7	Emmerdale Farm (Thurs.) (Yorks.)	11.60
7	The Cuckoo Waltz (Gran.)	11.60
9	Diary Of The Cannes Film Festival (ATV)	11.15
10	Winner Takes All (Yorks.)	11.10
11	Crossroads (Tues.) (ATV)	10.95
12	How's Your Father? (Yorks.)	10.65
13	Don't Just Sit There (Yorks.)	10.60
14	Return Of The Saint (ATV)	10.50
15	Nine O'Clock News (Thurs.) (BBC)	10.20
16	Sale Of The Century (Anglia)	9.95
17	The Krypton Factor (Gran.)	9.85
18	A Gathering Of Eagles (BBC)	9.75
18	The Royal International Horse Show (Sat.) (BBC)	9.70
20	Square Mile Of Murder (BBC)	9.65

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Jeffersons (comedy) (CBS)	20.7
2	60 Minutes (news) (CBS)	19.6
3	Alice (comedy) (CBS)	19.4
4	Trapper John MD (drama) (CBS)	19.1
5	Dallas (drama) (CBS)	18.6
6	Dukes of Hazzard (comedy) (CBS)	17.7
7	Chips (drama) (NBC)	16.2
8	Love Boat (comedy) (ABC)	15.9
8	Fantasy Island (drama) (ABC)	15.4
10	Archie Bunker's Place (comedy) (CBS)	14.2

CHESS SOLUTIONS

Solution to Problem No. 330

1 N-QN2 (threatens 2 N (K3)-B4 ch, K-N5; 3 N-Q3 mate or 2 R-B4 and 3 RxP mate). If 1 . . . BxR; 2 N-Q5, and if then 2 . . . PxN; 3 BxB mate, or if 2 . . . B moves; 3 N-B4 mate.

Solution to Position No. 330

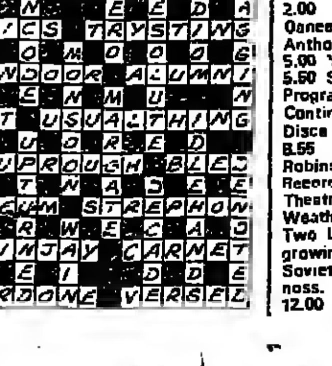
1 P-R4! Resigns. 1 . . . R-Q7 loses to 2 B-Q5, while rook checks would help the white king up the board to KN5 where it joins the attack. So Black's only chance to improve his positions is 1 . . . BR3. But then comes 2 R-Q5, RxR; 3 BxR and the subtle 1 P-R4 has stopped the bishop reaching KN4 to guard the white pawn's queening square.

SOLUTION AND WINNERS OF PUZZLE NO. 4,326

Mr. J. Pearce, "Methrose" Porthpean, Beach Road, St. Austell, Cornwall, PL26 6AU.

Mr. B. M. Quarterman, "Todeni" The Common, Abberley, Worcestershire WR6 6AY.

Mr. D. R. Townsend, The Bowling Green, Dunmow, Essex.



COLLECTING

Persuaders of yesteryear

BY JANET MARSH

SOME OF the richest quarry for collectors of old advertising ephemera and trade packaging is provided by the patent medicines which human beings have credulously devoured almost as long as medical science has existed.

The earliest newspapers in this country already carried advertising for sovereign remedy for stone, spleen, vanereal affections, scrofula and the various other Indecorous disorders that seemed peculiarly to preoccupy our 17th and 18th century forefathers.

The great era of patent medicines, however, began in the last quarter of the 19th century, with the sudden development of modern advertising techniques.

Magazines and newspapers of the 1880s, and 1890s, are full of advertisements, sometimes luridly illustrated, generally supported by rapturous testimonials from grateful purchasers who claim to have *ended* years of suffering by the expenditure of a shilling or two *on* the advertiser's remedy.

Coughs, colds, flu and catarrh have ever been the quack's best friend. Of the innumerable cures offered in late Victorian days—and well into living memory—most depended on the soothing effects of morphine, chloroform and ipecacuanha wine. For some of the least reputable nostrums, it could he claimed that if they contained little to produce any henefit, at least there was little that might cause harm. One best-seller of Edwardian days, Dr. Kilmer's Indian Cough Cure, proved on analysis to consist solely of water and sugar with just a touch of some unidentifiable bitter substance to give a taste of reassuring nastiness.

Dr. Lane's Catarrh Cure—"The *Only Reliable* and Effective Preparation for the Permanent and *Radical Cure* of this most dangerous disease" turned out to be compounded of carbolic acid, common salt and water.

Among the working class consumers there was a sizeable and pathetic market in dublous remedies to quieten crying—and often hungry—babies. The proliferation of specifics for indigestion, kidney troubles and obesity, on the other hand, reflects an age when the better-off were frequently given to *gross* over-indulgence of one sort or another.

There is a literary quality in the advertising for the reducing treatments (Russell's Anti-Corpulent Preparation; Absorbit Reducing Paste, Figuroids, Allan's Anti-Fat and the like) that indicates the section of the public to which they were directed. The makers of Marmola ask,

Is Fatness a Social Offence? *"The female form, being capable of expressing a supreme degree of grace, should be an inspiration in our daily lives and lead up to higher ideals of beauty," said an art lecturer lately. Therefore, the fat woman is an enemy to the artistic uplift, for she is entirely too heavy for any wings to raise.*

There was also a brisk sale for cures for inebriaty, with unsubtle names like Tetolia, Antidipso and Dispocure.

"Eminent medical men have over and over again declared that if a cure for drunkenness could be discovered both TASTELESS AND ODOURLESS, and placed in the hands of a devoted woman to administer SECRETLY, the greatest difficulty in effecting a cure would have been overcome. "Dipsocure" is TASTELESS AND ODOURLESS. . . ."

Its ingredients—Acetanilide, Potassium bromide, sugar and milk—suggest that it was also quite useless.

The marketing of "certain cures" for illnesses like consumption and cancer today appears as the most unconscionable cruelty. Callously, the makers of "remedies" with names like Tuberculozyne warned their users that the effects of the treatment would be slow, and sustained their loyalty with endless streams of letters—such remedies were generally sold by mail—urging them on to the next, and usually more costly stage of the treatment.

There was a lighter side, in the nostrums for baldness, and such cheap and cheerful cure-alls as Dr. Martin's Miracletts, which claimed to cure everything from constipation to St. Vitus' Dance; or Dr. Williams' "Pink Pills for Pale People," which seem to have appealed more by alliteration than effectiveness.

Patent medicines proved a great stimulus to the development of marketing techniques, particularly the direct mail approach. Offers of free booklets to sufferers who were required only to send a postage stamp, secured the vendors an effective mailing list.

How profitable the direct-mail approach could be is indicated by the clandestine offer by one manufacturer to retail chemists, who were promised five shillings for the name and address of any victim of diabetes.

Late in the century the deceits and subterfuges of the less scrupulous advertisers began to come under scrutiny. Every first-year law student knows the leading case in contract of Carlill v The Carbolic Smoke Ball Company.

The makers of the Carbolic Smoke Ball rashly offered a substantial recompense to anyone who, after using their product, caught influenza. Mrs. Carlill dutifully used the smoke ball, instantly went down with influenza, and thereupon claimed the compensation. The courts upheld her claim.

In 1909 there was a more comprehensive exposure of quack medicine when the British Medical Association issued a little book called *Secret Remedies. What They Cost and What they Contain.* Its sardonic commentary makes it, certainly, one of the funniest publications of the BMA. Nothing was sacred.

One of the most venerated of all British patent medicines was shown to consist at that time of aloes, ginger and soap. The manufacturers might claim their pills to be "worth a guinea a box," said the BMA, but the prime cost was estimated at half a farthing.

The public's gullibility was never to wane, but the BMA's exposures already boded the end of a colourful era of medical marketing.

Sir Harold Wilson: designer of film support systems.

A belated marriage that could put Britain back on the world's cinema screens

BY JOHN TERRY

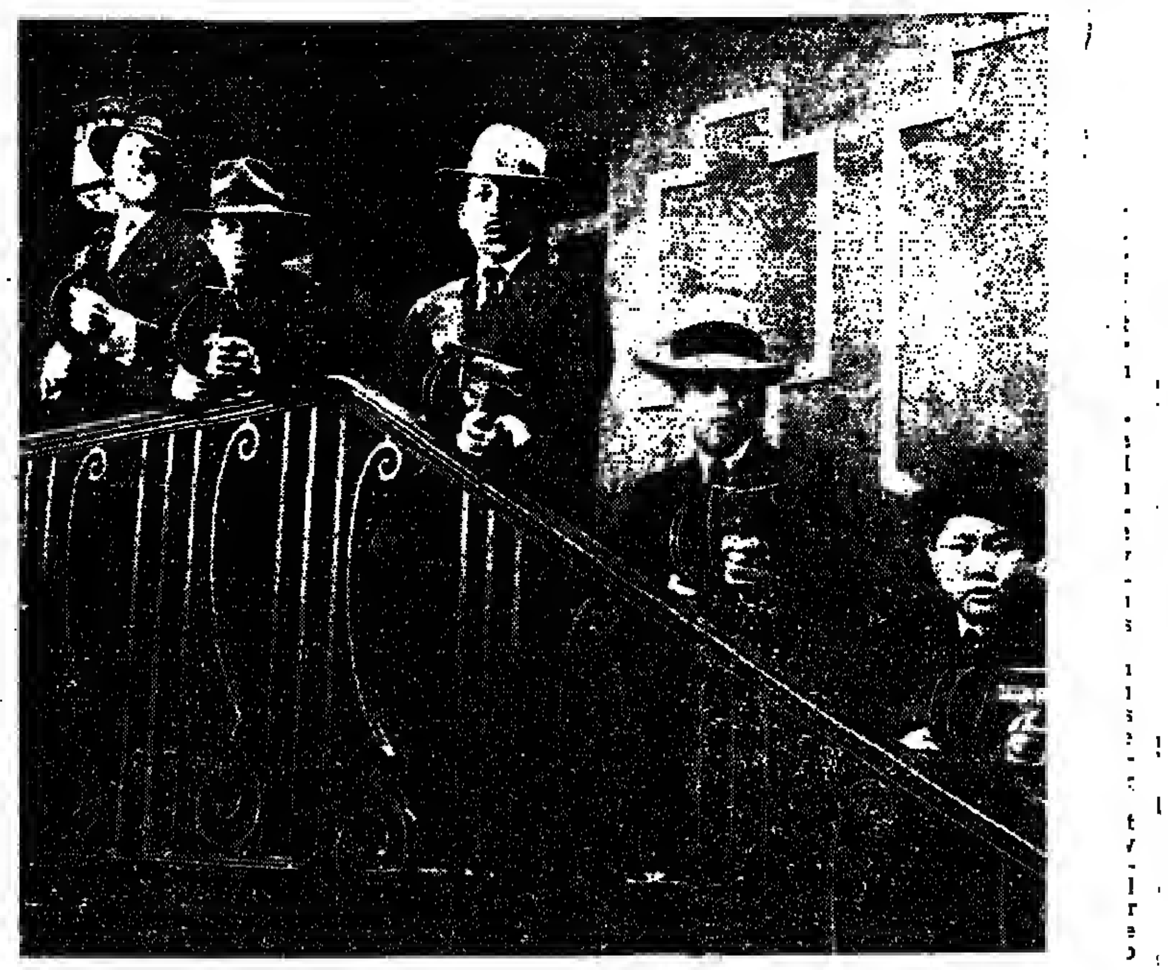
THE FILMS ACT 1980, which became law a few days ago, makes radical changes in all three measures which constitute the Government's policy of supporting British film production in its constant struggle against the dominance of Hollywood.

The earliest of these measures was the Exhibitors' Quota, introduced in Britain as long ago as 1927, which consists of a statutory requirement (subject to certain exemptions) whereby a proportion of playing time (for many years past, 30 per cent for first features and 25 per cent for the supporting programme) must be devoted to films which qualify as Bitish. The quota includes films made in accordance with the Co-Production Agreements between the UK and France, Italy, the Federal Republic of Germany and Canada, or which qualify as Community films under the European Communities Act of 1972.

Under the new Films Act, power is now given to the Secretary of State for Trade to suspend (and, if he thinks fit, re-impose) the quota requirements after consulting the Cinematograph Films Council. Those who consider that Quota remains a useful safeguard will be relieved that it has not been abolished altogether, but the change now made reflects the growing feeling in the industry that British films no longer need this form of protection.

The other two Government measures to foster British film production were designed and created by Sir Harold Wilson while he was President of the Board of Trade between 1947 and 1951: the National Film Finance Corporation and the Eady Fund. It is no exaggeration to say that without both these stimuli independent British film production would probably have disappeared altogether under the weight of U.S. imports.

The National Film Finance Corporation was set up by statute in 1949, and during the intervening 30 years it has made investments aggregating over £30m in more than 750 British feature films—from *The Third Man* and *Genevieve* to *Bugsy Malone* and *The Europeans*—at a net cost to the taxpayer of under £5m. One of the reasons why the Corporation has been able to keep going so long is the fact that the films it has helped to finance have almost invariably been eligible for payments out of the Eady Fund. This Fund, so called because Sir Wilfrid Eady was the Treasury official principally concerned with the negotiations with the film industry to establish the scheme, took the form of a levy on cinema tickets in Britain—at present one-twelfth of each ticket price net of VAT, subject to the exemption of certain cinemas with low takings. It began in 1950 as a voluntary scheme within the industry in exchange for the simultaneous reduction in Entertainments Duty, which was finally abolished in 1960. In 1957 the scheme became statutory, when it was called the British Film Fund.



Bugsy Malone's sub-teen gangsters.

Eady money has varied in amount over the years. In the year to September 1978 it aggregated £6.6m, in the year to September 1979 £7.4m, and in the current year to September 1980 it is expected to be approximately £6.5m.

The major part of the Eady Levy has throughout been paid to the makers of eligible British films (or their financing parties) in proportion to their commercial success at the cinema box office in Britain. It therefore represents a plan to benefit British films at the expense of imported, mainly U.S. films, since the Levy is payable on all films, the majority of which are American.

A small but significant part of the Levy is devoted to special purposes directly or indirectly related to British film-making. Thus in the current year £330,000 goes to the Children's Film Foundation, £215,000 to the National Film School (the majority of whose finance comes from the Office of Arts and Libraries) and £100,000 to the British Film Institute's Production Board (to provide opportunities for emerging film-making talent).

Perhaps the most interesting feature of the Films Act 1980 is that it celebrates a somewhat belated marriage between the National Film Finance Corporation and the Eady Fund. Thus in future one-fifth of the Fund or £1.5m (whichever is the greater) each year is to be paid to the Corporation. Apart from the forgiveness of all indebtedness on the Corporation's part to the Government and a farewell gesture of a grant of £1m to help set it on its new course, the Corporation will, in future, be dependent on the Eady Fund.

Opposition to the idea of Eady monies being used as production finance instead of as a post-production reward has previously come from those who have feared that any substantial reduction in the amounts available for distribution according to the commercial success of completed films would discourage U.S. film investment. The reason for this is that the Eady Plan had one unexpected result, inasmuch as it encouraged the enterprising U.S. major companies to finance many British films in UK studios, such as the Bond films to their financial benefit, and also to the benefit of British artists, technicians, studios and laboratories. Today the incentive of Eady is in many quarters, not thought to be so important in attracting foreign finance.

Over the past year or so the Department of Trade has been publishing details of the distributions of Eady among individual films—previously treated as confidential. This exposure has revealed that many films known in the trade as "skin-flics," which have a ready market of their own without any additional bonus, have been collecting substantial amounts of Eady Money. This situation—and the fact that the big films which do best commercially get the greatest amount of Eady although they do not need it—have no doubt helped to produce an atmosphere in which the allocation of a part of the Eady Fund to be used as indigenous production finance is viewed without objection.

Finally the new Act removes one problem. For many years it has been apparent that the Eady Levy, like not wholly dissimilar schemes in France and Italy, has been at variance with the Treaty of Rome. The definition of eligibility under the Eady Plan includes a requirement that 75 per cent of the labour costs on the film must be paid to British subjects or persons ordinarily resident in a Commonwealth country. The present Government and their Civil Servants at the Department of Trade should be congratulated on grasping this nettle at last, since the Films Act 1980 now provides for the inclusion in this calculation of labour costs paid to citizens of all Member States of the Community.

Lee Remick in the Europeans.

CHESS

LEONARD BARDEN

The secretive nature of Soviet society makes it difficult to know what is really going on behind the scenes in Russian chess. Often the truth only comes out years later in books and articles when an effort is made to set the record straight. Naturally this is easier done outside the USSR and, for example, Korchnoi's "Chess is my life" confirms the allegations of a drawing pact among the Russians at the 1962 candidates which Bobby Fischer made at the time.

Ex-world champion Botvinnik's autobiography, "Achieving the aim," due out in English translation from Pergamon at the end of 1980, contains several revelations. His telegram to Stalin reporting his success at Nottingham in 1936 as inspired by the slogan "catch up and overtake (the West)" was actually concocted by an alert official in Moscow.

Then Botvinnik reveals that officials tried to obstruct his 1946 world title challenge to Alekhine, an emigré and White Russian. The dilemma was solved by Alekhine's death, but Botvinnik states that he nearly gave up chess as a protest against the efforts to stop a match first discussed in 1939.

The chauvinistic atmosphere of post-war Stalinist Russia, where scientific innovations were attributed to Soviet innovators (e.g. Popov, not Marconi, was said to be the inventor of radio) spilled over into chess. In a recent article in "64" Kotov describes his difficulties in preparing his two-volume work on Alekhine: "certain over-active figures in our chess organisation gave instructions that Alekhine's Defence *(1 P-K4, N-KB3)* was to be called 'Klyatkin's Defence'." There were attempts to destroy foreign chess literature with Latin notation. This last wheel has since gone full circle with publication in the USSR of translated editions of the best games of Fischer and Larsen.

Current rumours are that the Soviet authorities intend to send their chess masters to Western tournaments much less frequently in future. If so, this could be a reaction to the defection of Korchnoi and *Alburt while on foreign trips,* or it could be an economy gesture to save hard currency. So far there has been little sign of cutbacks since Karpov has already played this year in West Germany, Yugoslavia and Holland while Petrosian and the reigning USSR champion Geller tied for first with Tony Miles at Las Palmas.

It could be that there is a power struggle going on and that the list of "reliable" people to be sent abroad has been pruned. A key indication will be the opportunities given to the brilliant 17-year-old Kasparov, widely considered a future world champion, with his mixed Jewish and Armenian background.

So far Kasparov has been kept largely under wraps as regards individual tournaments in the West. When he competed at the world under-17 championship in France, his accompanying coach reacted nervously when the youngster showed interest in fraternising with Western juniors. Last year Kasparov was nominated for the junior (under-20) world championship in Norway but withdrawn at short notice. Illness was cited, but in similar cases with writers and musicians *this* "reason" has been a conventional shorthand for official disapproval.

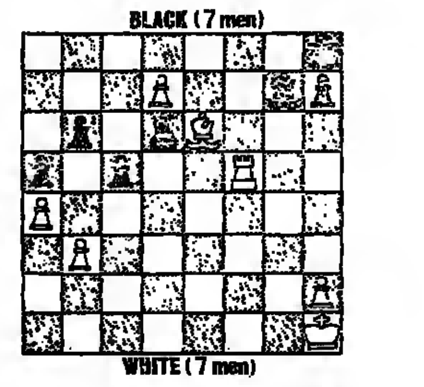
Whatever the general policy on overseas visits, it seems clear that Soviet chess managers or their political superiors are ill-disposed to invitations from Britain. Evidence for this came last year when Karpov and Romanishin showed interest in playing in the Phillips and Drew Kings but Moscow refused the official invitation. The stated reason was a clash with important internal team events, but in fact the USSR inter-club competition where Karpov and other GMs played took place only in June, two months later than the Phillips and Drew.

Then an invitation to the Soviet Chess Federation for the Lloyds Bank Masters in London on August 20-28 was turned down with the claim that the Russians would not participate in tournaments with Swiss system pairings. Yet Lone Pine, where the USSR regularly competes, is a Swiss system event, while in recent weeks the former world champion Smyslov has taken part in Swiss system opens in Austria and Argentina. Next month's Lloyds Bank event will be at least as strong as Smyslov's tournaments with grandmasters Sax, Gheorghiu, Ivkov and Westerinen confirmed participants. Both invitations and both Soviet refusals occurred before the Afghanistan invasion and the Olympics boycott became major issues.

Maybe the offhand treatment in Moscow of invitations from Britain is on political grounds, maybe an expression of disapproval of Keene and Stean's role as seconds to Korchnoi in the world title match. But it certainly seems marked, and the crunch may come in the next few months when invitations go out for the ICL Hastings Premier where the Russians have played regularly. Last year's Soviet representatives Georgadze and Makarychev, both second line grandmasters, arrived a day after the start straight from the USSR Championship at Minsk then wearily reeled off a string of nondescript draws. This year Hastings plans to invite individual Russians and if all prove "unavailable" there may be no Soviet participation in the Premier.

POSITION No. 330

BLACK (7 men)



WHITE (7 men)

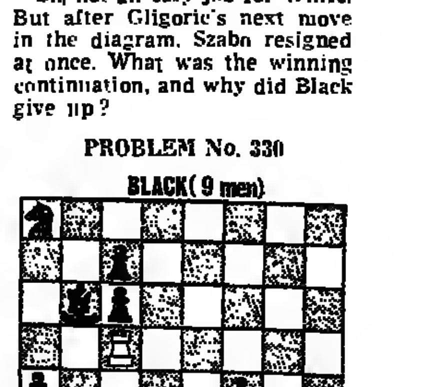
Gligoric v. Szabo, Moscow, 1963. This ending with level material seems delicately poised between a win for White (to move) due to the powerful passed pawn on the seventh, and a draw for Black created by the bishops of opposite colours.

Winning tries include 1 R-Q5? RxR; 2 BxR, B-B3 when Black draws or 1 R-B7, R-Q5; 2 R-K7, B-B3; 3 R-K8 ch, K-N2 when Black keeps control of the queening square with both pieces.

So, not an easy job for White. But after Gligoric's next move in the diagram, Szabo resigned at once. What was the winning continuation, and why did Black give up?

PROBLEM No. 330

BLACK (9 men)



WHITE (7 men)

White mates in three moves at latest, against any defence (by B. Hirst, Dunstable). The black king is trapped, but the natural 1 R-B4 (intending 2 N-QN2 and 3 RxP mate) is met by B-Q5. Look instead for teamwork by the bishop and knights.

Solutions Page 12

BRIDGE

E. P. C. COTTER

Terence Reese has just produced Bridge Tips by World Masters (Robert Hale, £5.25). *This* is a collation of the Bols Bridge Tips, featured by the International Bridge Press Association, published in its Bulletin, and later discussed by bridge correspondents in their columns. I can assure you that you will be both entertained and instructed by this book.

The first tip is given by Billy Eisenberg, a member of the Dallas Aces. He says: "Play low from dummy when it can't cost you a trick and may cause third hand to make a grievous error." This deal comes from a pairs event:

	N ♠ K 7 5 ♥ A 7 4 ♦ Q J 6 ♣ A 8 7 4	
W ♠ J 6 4 ♥ Q 9 3 2 ♦ K 10 8 4 ♣ J 9		E ♠ 3 ♥ J 10 6 ♦ A 9 7 3 2 ♣ Q 10 3 2
	S ♠ A Q 10 9 8 2 ♥ K 8 5 ♦ 5 ♣ K 6 5	

North dealt at a love score and bid one club, South said one spade, and jumped to four spades over the opener's rebid of one no trump.

West led the four of diamonds. Now how many declarers do you know who would not put up an honour from dummy? East wins and switches, and South loses a trick in each side suit. But Eisenberg says: Play dummy's diamond six, and East will surely win with the Ace. This will allow the declarer, after he has drawn the trumps, to execute a loser-on-loser play by leading the diamond Knave and throwing one of his losers on it. Then he will throw his other loser on the established Queen. This means that South makes 11 tricks, an overtrick which is worth its weight in gold at duplicate pairs.

It would take a very brave East to play his nine at trick one and risk losing to a singleton ten in the declarer's hand, something which would not please his partner.

We turn to Jeff Rubens of the United States — his tip is: "Honour thy partner. Show that you treat his problems as your own, and actively help him solve them." *His* tip won first prize in the third year of the Bols Tips—I, too, placed his entry first.

Here is one of his hands:

	N ♠ K Q J 10 2 ♥ A J 6 2 ♦ K 4 2 ♣ Q	
W ♠ 6 5 ♥ 5 3 ♦ A Q 10 5 ♣ J 9 7 5 2		E ♠ A 9 7 3 ♥ 10 7 ♦ 7 ♣ A 10 8 6 4 3
	S ♠ 8 4 ♥ K Q 9 8 4 ♦ J 9 8 6 3 ♣ K	

With both sides vulnerable North dealt and opened the bidding with one spade, South replied with two hearts, and the opener raised to four hearts.

West led the five of clubs, and the Ace won. East returned the seven of diamonds, the obvious switch. South covered with the eight, and West, placing his partner with the Ace of spades and another diamond, played the ten to force dummy's King and preserve his tenace over the declarer. South drew trumps, attacked spades, and East took his Ace. Unfortunately, with no diamond in his hand, East could only lead back a spade, which allowed the declarer to discard three diamonds on dummy's winners, and make his ten-trick contract.

West's defence was reasonable, but East's was not. With more sympathy for his partner's problems, East should have made the position clear by first cashing the Ace of spades. Then the diamond seven would have been marked as a singleton, West would have won with his Ace and returned a diamond for his partner to ruff, thus setting the contract.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
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Saturday July 26 1980

Getting the detail right

IT IS just as well for Mrs. Thatcher that she can stand up to a gond slanging match. The abuse she suffered this week in the House of Commons following the record increase in unemploymeot is probably only a foretaste of much worse to come. For the "economic realities" which Ministers have been commending, with growing vehemence, to the couotry's attention are now becoming apparent, not just to workers and employers, but also to the Government.

As "reality" turns from a speech-writer's platitude into the unmistakeable evidence of lengthening dole queues and bankruptcies. Mrs. Thatcher will find it increasingly difficult to answer her critics with assertions of abstract economic principles. On Thursday, as she explained to Parliament that greater mobility on the part of workers would help to reduce unemployment, the cries of "Where to?" from the Opposition benches, reduced to a seemingly callous irrelevance what was, in fact, a perfectly valid argument about the country's long-term economic potential.

Reforms

The trouble with the Government's economic policy, as with the response to this week's indignation about unemployment, is the lack of attention to detail in a strategy whose broad outlines are both coherent and sensible. Ministers were well aware that at least a short-term rise in unemployment was inevitable this summer and autumn. It was quite natural for them to concentrate on the fundamental economic and institutional reforms which should eventually lead to a soundly-based recovery in output and employment. But this need not have precluded detailed consideration of short-term measures to alleviate the suffering, particularly among the young, and to lessen the political pressures which the whole economic strategy may now generate.

However hard Ministers may try to explain that unemployment is the consequence of excessive pay settlements and however patiently they repeat that the Government can do nothing about the strength of sterling without endangering its policy against inflation, the country at large, including a high proportion of Conservative voters, will doubtless go on believing that the Government must "have a policy" for coping with economic crisis. But it is only now, after being caught apparently unprepared by the surge in unemployment, that Ministers are turning their minds to preparing palliatives. If these were now ready, they could have been introduced as a coherent part of Government policy, since it is quite possible for the Government to assist school leavers with training and work experience, without interfering with fundamental market forces or squandering vast sums of public money. The danger is that when employment-creating measures appear belatedly in the winter, they will be interpreted incorrectly as a U-turn or a sign of weakness.

The impatience with detail has had an even more unfortunate effect on the Government's macro-economic policy. The still-increasing strength of sterling has been the most immediate cause of the sudden collapse of some potentially healthy companies. For example, Bowater's Ellesmere Port newsprint plant, whose impending closure was announced this week, would, according to one estimate, become profitable again if the pound fell to $2.25.

The Chancellor may be right to claim that the strong exchange rate is a sign of Britain's increasing affluence as a result of the North Sea windfall. It may also be true that most of the benefit of oil to the British economy will come through the terms of trade. But the soaring real exchange rate has compressed what should have been a long process of constructive transformation into a short shock, creating serious industrial disruption. And this rapid strengthening of sterling has not, in fact, been entirely outside the Government's control.

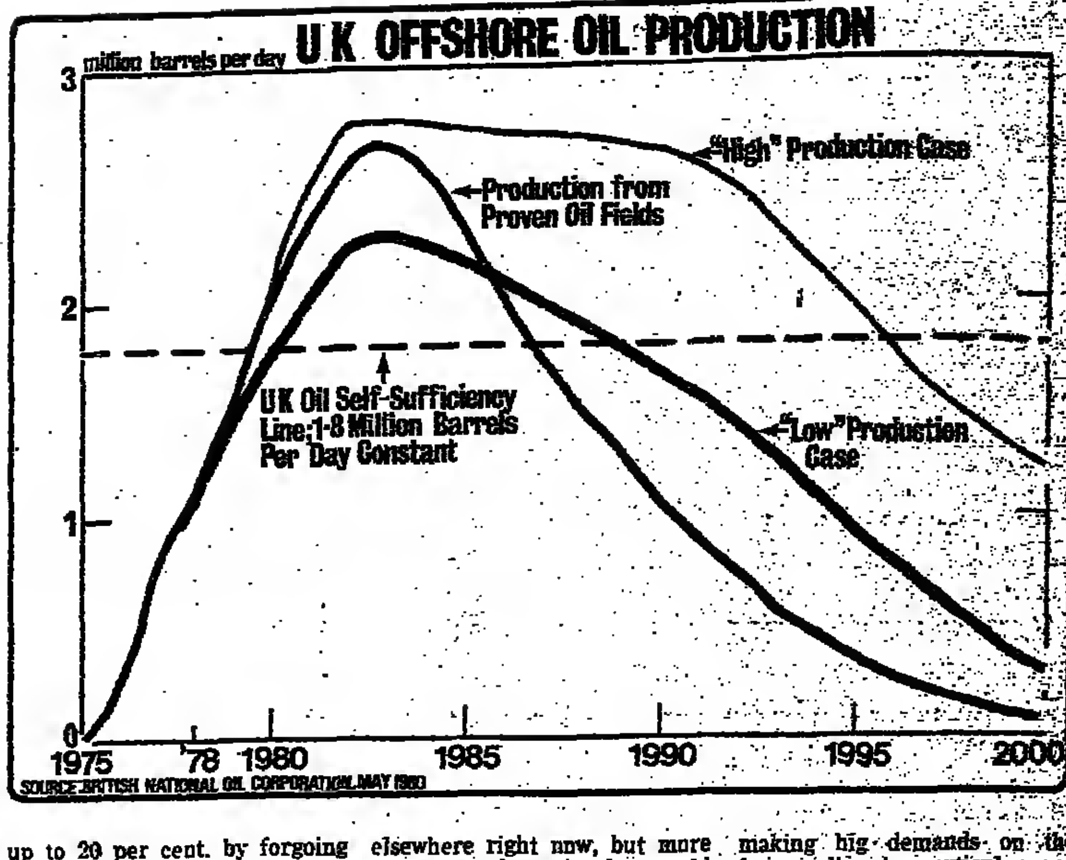
Encouraged

Both the relationship between monetary and fiscal policy and the particular way that the Government has chosen to fund its borrowing requirement have created upward pressures on interest rates and encouraged inflows of foreign capital. These inflows have more than offset the efforts which Britain's institutional investors have been making to diversify their portfolios out of sterling. Figures this week showed that overseas investment rose to £500m in the first quarter of this year, as a result of the abolition of exchange controls. If only the Government's addiction to selling high coupon gilts had been less over the past year, this sort of outflow might have made it possible for sterling to adjust gradually to Britain's improving trading prospects and for the economy to generate the large current account surpluses.

It is somewhat ironic, therefore, that the Energy Department was at last able to bring itself to make a statement on North Sea depletion policy this week, while the Treasury and its Ministers are still busy trying to play down the effects of oil on Government revenues and on the balance of payments, although these effects have transformed many of the relationships on which traditional relationship of macroeconomic policy were based.

A policy for Britain in Europe

BY IAN DAVIDSON, FOREIGN AFFAIRS EDITOR



THE MOST pressing foreign policy priority for the British Government is to start getting its European policy right. And that means, in the first place, having a European policy.

Unfortunately, successive British governments have appeared to consider, with a rare unanimity, that a European policy was a luxury which they could well afford to do without. One after another, Macmillan, Wilson and Heath concluded that we ought to join the European Community, and in the end Heath succeeded in getting us past the Caudine Forks of the French and common agricultural policy. But neither before nor since his memorable fireside chat with Georges Pompidou has any British political leader of either party given even the most evanescent hint of why he or she thought we were in the Community or what it was all for.

There has been a vast amount of complaining, of course, and every few years or

No enthusiasm for any Community activity old or new

so we and the rest of the Community have had to endure a battle over the renegotiation of the terms of entry. But in the interstices of these battles, if you look for any rationale of Britain's attitude towards the Community, all you will come up with is that catchword of political insularity and bureaucratic inertia, "pragmatism." You will search in vain for even the most inchoate expression of some kind of hope for the future in Community terms; apart from the so-called co-ordination of European foreign policy, you will discover no enthusiasm for any Community activity old or new.

This seems to me to be a worrying phenomenon, partly because indifference and inertia are politically infectious at home, partly because in seven short years we have managed to alienate all the other members of the European Community. A substantial chunk of the Labour Party is now beginning to see in the general hostility of public opinion towards Common Market membership—a hostility nurtured by the lack of commitment of every single government—a fertile ground for reviving the idea that we should get out. And the way things have gone since 1973, there would be little regret, if any, in the other Community countries at our going. Unless the situation starts to get put right quite soon, we could find that getting out will be a good deal quicker and a good deal easier than getting in.

Now it is obviously too much to ask that British politicians, let alone British civil servants, should suddenly discover a sense of European vocation of whose absence they are plainly not even conscious. The problem is much more practical than that, and it falls into two parts. First, how do we improve the balance of concrete advantage which we derive from being in the Community, so that getting out of it will cease to represent for a large part of the electorate the chimerical solution to all our problems? Second, how do we make some positive contribution to a solution of the problems of the rest of the Community, so that they will start to think that we have finally joined them, and, more important, so that they will feel politically able to give serious consideration to our very real problems as a declining industrial power?

Inevitably, the second question must be answered before the first. Community understanding and help for our problems means concessions from them to us, and we will not get such concessions without the most appalling fights *unless* we can persuade them that we have ceased to be merely a pain in the neck, but actually have something to offer. But what, you may well ask, can a country in decline offer to relative plutocrats like France and Germany? There is only one answer: North Sea oil.

The very words are enough to make both front benches in the House of Commons recoil with horror, and stimulate case-hardened civil servants into drafting 16-point memoranda explaining why any such notion would be both fruitless and imprudent. There are always 16 reasons why any course of action would be both

Case-hardened civil servants will draft 16-point memoranda

fruitless and imprudent. But Ray Dafter, our Energy Editor, and I have come to the conclusion that, on this rare occasion, the civil servants are wrong.

Some time ago, he and I were asked by the Royal Institute for International Affairs, otherwise known as Chatham House, to write a paper under the title "North Sea Oil and British Foreign Policy*." At the outset, we both tended to assume that there would be rather little to say on the subject. The North Sea, we thought, while very handy for us, was so small by international standards that it could hardly have any significant bearing on Britain's foreign policy, and in this belief we were faithfully reflecting Whitehall orthodoxy. But the more we considered the problem, the more convinced we became that a quite different judgment was possible.

The cornerstone of the argument, as it gradually emerged, was that Britain's essential national interest lies in a miserly approach to production from the North Sea. For the sake of simplicity, we chose the notion of net self-sufficiency, with exports of light crude balancing imports of heavy crude, but there is nothing magical about this notion, except that it implies a deliberate policy of not producing as much as we could at any one time. The Government has similarly chosen self-sufficiency as the benchmark for its "flexible" depletion policy, announced on Wednesday.

The reason for our miserly production policy is that it would prolong net self-sufficiency for as long as possible. Combined with a policy of maximum development of the oil fields in the North Sea (and other off-shore areas, of course), it means that net self-sufficiency could be maintained well into the 1990s. Now it will be obvious that such a strategy is very different from the conventional, non-interventionist profile of North Sea oil output, which rises in a steep curve well above the level of net self-sufficiency during the middle 1980s, and falls away equally steeply in the second half of the decade, dropping below self-sufficiency in the very early 1990s. The first question is why, and the second is how?

Given the scarcity of oil resources world-wide, in general (and we are not impressed by the current mini-glut), and the dangers of shortages at any unpredictable moment in the future, it seems to be merest prudence not to produce more oil from the North Sea than we actually need, especially if the OPEC countries are meeting the needs of the rest of the world. Naturally, a miserly production policy means lower immediate government tax revenues; but it is difficult to justify a squandering of the North Sea oil reserves, which cannot be replaced, merely for the sake of a quick fix of the Public Sector Borrowing Requirement. One must assume that Mrs. Thatcher means what she says when she talks of cutting public spending.

The answer to the "how" question is easy: by implementing the so-called Varley guidelines for cutting production by up to 20 per cent. by forgoing royalty oil (12½ per cent), by forgoing the British National Oil Corporation's entitlement to equity oil, or any combination of these measures. It would be argued by the oil companies that producing at less than the optimum level would be expensive to them; but since they went into the North Sea in full knowledge of the Varley guidelines, when the oil price was much lower than it is today, they would have very little to grouse about.

The immediate consequence of a combination of maximum development and miserly production is that, for a period of years during the middle 1980s, there would be a significant margin of surplus capacity in the North Sea which, given the characteristics of the reservoirs, could be called on in a matter of hours. Estimates of the size of this potential surplus are hazardous, but it could be up to about 700,000 barrels a day (b/d).

In world terms, this is a tiny amount; but in the context of the European Community, it is absolutely perfect. Under the terms of our commitments to the International Energy Agency, we and everybody else (except the French, of course) would be obliged to restrain

The vested interests in the extravagance of the CAP

energy demand at home if there were a general oil shortfall of more than 7 per cent, and in theory there would have to be equitable oil-sharing arrangements.

But it so happens that 0.7m b/d is slightly above 7 per cent of the European Community's net oil imports. It would, therefore, be possible for the UK to provide an emergency supply of oil in the mid-1980s to the Community, in the case of a shortfall of up to 7 per cent, without infringing our IEA commitments. Obviously we cannot offer any oil immediately, since we are only just now reaching self-sufficiency: but we could offer a *policy* of net sufficiency and an undertaking to turn on the taps for the benefit of the Community when a surplus becomes available, in certain conditions, and in return for a *quid pro quo*. But in any case we do not want to offer any oil immediately; partly because there is plenty of it around from elsewhere right now, but more important because it would take time to set up an appropriately enticing package from Britain's point of view.

There is only one *quid pro quo* which is worth such a prize: a radical reform of the common agricultural policy, so as to eliminate the massive expense on wasteful surpluses which cannot be sold except at the taxpayer's expense. Experts will tell you that such a reform is unattainable, because the vested interests in the extravagance of the CAP are too powerful. The fact is that the French and German Governments both know that the farm policy will simply run out of the available money in a few years if something isn't done about it.

The choice facing the British Government is between waiting until the money runs out, when there may be as little reform as is necessary to avoid financial catastrophe, and doing something which could tilt the balance of the argument so as to get an impetus for more radical thinking in the rest of the Community right now. An offer of North Sea oil in certain emergency conditions could be that something.

The experts will tell you that the North Sea is far too small to tilt that balance. The fact is that most of the rest of the Community have their tongues hanging out for a British offer to supply oil in a mini-crisis of a shortfall of up to 7 per cent. Shortly after last December's Dublin summit, France and Germany asked for it in the most explicit terms, and they were supported by five other countries. Britain and Holland said no.

Naturally, any British offer would have to be a transitional arrangement, lasting a maximum of six to nine months at any one time; if a shortfall of, say, 6 per cent looked like being permanent, all the Community countries would have to curtail domestic consumption, and Britain would once again turn down the taps from the North Sea.

In principle, Britain would not expect to provide emergency supplies until there was a significant margin above net self-sufficiency requirements, in about 1982. Now it so happens that is a very convenient date, because it is the year by which a new, long-term arrangement for contributions to the Community budget must be agreed; and it is also the year by which Spain and Portugal will expect their membership of the Community to be settled, and as poor countries with large farming sectors they will both be making big demands on the farm policy in particular and on the budget in general.

But in practice, there is no reason why Britain should not, as an earnest of the new oil policy, provide what little surplus is available as early as 1981 if a shortfall emerges then; and then, after a few months, turn the taps down again. It is arguable that the turning off of a small quantity would have an even more galvanic effect on negotiations on the reform of the CAP than an untested

The oldest, the biggest and the most expensive Community policy

promise to provide rather larger quantities at some unspecified date in the future.

The experts will still tell you that the enterprise is hopeless. The fact is that a reform of the CAP is now in the Community's interest, if not in the interest of certain farmers and certain countries like Ireland, Denmark and France. In the fat years, the Community could afford to throw money away on butter mountains and wine lakes; in an era of slow growth and high unemployment, the Community and the Community's consumers, can no longer afford this extravagance, and the time is soon approaching when Community governments will cease to be able to justify the CAP on the grounds that it is the oldest, the biggest and the most expensive Community policy. The argument based on the *acquis communautaire* will disappear under their feet.

The Dafter-Davidson plan involves no sacrifice of British national interest. If the other member states reject the bargain flat, we keep the North Sea and maintain net self-sufficiency for another decade or so. If they accept the bargain, we (and they) remove the Community's primary running sore and resolve the problem of our fight over contributions to the Community budget. And if everybody was very lucky, there would be no shortfall on the oil supply side, and we would get *both* a reform of the common agricultural policy *and* prolonged net-self-sufficiency. Who knows, we might even have persuaded the rest of the Community that, at last, Britain had become part of Europe.

**North Sea Oil and British Foreign Policy: a forthcoming paper to be published in September by the Royal Institute of International Affairs (£5).*

Letters to the Editor

Employment

From Mr. P. Shears.

Sir,—Arnold Toynbee tells us that societies collapse not so much on account of environmental constraints, but rather because of failure of their social organisation.

In Britain we have a maintenance and repair backlog of some £10bn in housing and £40bn in sewerage together with nearly 2m unemployed. Failure to maintain capital infrastructure looks to me like failure of social organisation especially when we have oil revenues available.

At the same time as housing repairs, £15bn worth of insulation work could be carried out, while some of the sewerage work could be combined with laying district heating mains costing another £15bn or so in preparation for the time when North Sea oil runs out. This total of £80bn of infrastructure work (1977 prices) spread over 20 years is about 4 per cent of GNP and could directly employ around half a million people. Why don't we do it?

Philip Shears,
60, Courtfield Gardens, SW5.

Cartons

From the Secretary, British Carton Association

Sir,—The centre page article by William Hall (July 22) under the heading "UK paper makers suffer on three fronts" outlines, no doubt accurately, the problems facing the industry. The article, however, is somewhat misleading in that it refers not only to paper mills but also board mills. Here the situation is basically different.

The major part of the production of paper, except newsprint, is distributed, whether it comes from overseas or UK production by paper merchants, and they should surely be consulted before application is made to the HMG for import control. This has not been done.

As regards the production of board the principal users are the UK carton industry which buys its raw material direct from boardmakers, be they UK or foreign companies.

It is a fact of life that UK board manufacturers are unable to supply all the requirements of the carton industry as regards the type of board required or, equally important, in certain cases, the necessary quality. Modern high speed machines will not print satisfactorily on board other than imported board.

The carton industry is just as hard pressed as the boardmakers and already suffers from major incursions into the UK market by Continental and Scandinavian manufacturers who obtain their supplies of board 10-20 per cent cheaper than UK carton manufacturers. Neither do they face the same inflation, bank borrowing rates and wage increments which are prevalent in the UK. To add import control to the already formidable list of problems is totally unrealistic.

We conclude, therefore, that HMG should not consider further the application of import controls being required on the supply of board into the UK from overseas suppliers.

R. R. B. Mackenzie,
35, New Bridge Street, EC4.

Gasholders

From Mr. R. Hindson

Sir,—Perhaps British Gas Corporation would have produced less pre-tax profit (Lex, July 23) if more effort and money had been directed by the Corporation towards removing unwanted gasholders and the like from redundant sites and restoring those sites for resale and/or reuse.

Here in Bridport we have two large gasholders which have been unused for years and which British Gas has been asked to remove. I believe that one of British Gas's reasons for not doing so is that the dismantling of water-sealed gas holders presents certain difficulties, or so it was reported in the local Press. If this is so then British Gas should have no difficulty whatsoever in funding a practical research project with the research team based here in Bridport. Who knows, we might eventually have the "Bridport method for removing redundant gasholders" enshrined by name in gas industry technology.

Richard Hindson.
Hindson and Partners,
Stor House,
14, West Street,
Bridport, Dorset.

Companies

From the Chairman, Bell Products

Sir,—In the present economic climate there can be very few small companies engaged in manufacturing and marketing consumer products who are not experiencing increasing pressure on profitability. These problems are caused not only by falling turnover but often by reduced margins and increased overheads.

Some companies faced with this situation are able to generate additional turnover by introducing new products from low cost overseas sources. An alternative solution, however, which would make a more positive contribution to our economy, would be for more companies facing similar difficulties to merge their resources. This need not necessarily mean a direct take-over but it might, for instance, lead to one company concentrating on marketing and the other on manufacture, thereby reducing total overheads.

Small companies do not have the expertise in finding suitable partners and I believe that company "marriage brokers" are not generally interested in companies with less than say £1m turnover. Another answer is, therefore, needed. It is reasonable to assume that any small company facing financial difficulties would be discussing these problems with its bankers. There must, therefore, be a fund of information available to the clearing banks on small companies who might be looking for partnership opportunities, financial help or investment in similar trading companies.

May I suggest that the major banks could give some consideration to establishing a central clearing house—preferably common to all banks—where information on small companies looking for potential acquisition, sale or merger arrangements might be recorded. This information could then be made available, in confidence, in appropriate circumstances.

Perhaps this might help to reduce the number of small company failures even though in many cases this would be on the basis of one company surviving rather than two failing.

Peter J. Bell.
Coldharbour Lane,
Harpenden, Herts.

Engineers

From Mr. L. Crystal.

Sir,—Perhaps you would permit me to reply to Mr. Derek Gaulter's letter (July 23) in which he mentions that the term "civil engineer" has a very specific meaning.

I also am a civil engineer, but specifically omitted to mention this in order to reinforce the point I was making that if engineers wish to have a higher status, then they should also use one generic name, which I believe the term "chartered engineer" fully covers.

If we wish engineers in manufacturing industry to attain the same degree of acceptance on company boards and at managerial level as those of us in the civil engineering industry, then civil engineers do themselves and their colleagues a disservice by attempting to create the feeling of elitism in one specific branch. In the end, we get tarred with the same brush, whether we like it or not.

Even if chartered engineers agree that they are members of a single profession whose education, training and entry standards into the profession are in their own hands (ie, the Finniston proposals are unnecessary and bureaucratic) they will still need to ensure that the term "engineer" is restricted in use, as suggested in my earlier letter.

L. Crystal.
Scltrust Engineering,
Fleet House,
57-61, Clerkenwell Road, EC1.

Metrication

From the Vice-Chairman, Historic Buildings Committee, Greater London Council.

Sir, — Without wishing to develop a lengthy correspondence on the merits or otherwise of metrication, may I have the opportunity to reply to one or two points in Dr. Pearce's letter (July 18)?

As a matter of fact, he flatters me in presuming that I am either an experienced engineer or a scientist, when in fact I am but a humble insurance broker! However, being an elected member of the Greater London Council I was appointed to my present vice-chairmanship by the leader, and like all politicians have an opinion on all subjects!

Dr. Pearce, however, in a well-reasoned letter, points out that the last formally conducted survey showed that 72 per cent of persons accepted that the metric system would make trade and business easier, and that 84 per cent believed they would be able to cope. How long ago this survey was conducted I do not know, but ask the average housewife or the male DIY enthusiast which he prefers, and the percentages would almost be certainly different from that of a poll conducted in and around the collegiate institutions.

I can only repeat that the decision of the Minister to wind up the board was strengthened by the knowledge that the general public are not all that madly enthusiastic about metrication, and that the long-established traditional ways of this country do not necessarily have to be abandoned.

Perhaps Dr. Pearce would have a pint of beer with me when next he visits London, or does he insist on asking for a point whatever it is of a litre when he imbibes?

Stephen J. Stewart.
Members' Lobby,
County Hall, SE1.

Law

From the Deputy Chairman, Kingfisher (Lubrication).

Sir,—I read with interest A. H. Hermann's article (July 15) regarding recent changes in company law.

As financial controller of a relatively small private company, I am concerned that present company law seems to do little or nothing to protect creditors of subsidiary companies.

Suppliers to these subsidiary companies will frequently rely on the credit standing of the group as a whole. It comes very hard when what has been regarded as a "blue-chip" debt suddenly becomes either completely irrecoverable or delayed, with possibly infrequent and minuscule instalments.

I do not claim to know what the answer is—if, indeed, there is one. It does occur to me, however, that the problem might, to some extent, be overcome by making the liability of corporate shareholders (or, perhaps, corporate majority shareholders) unlimited.

This might have the effect of inducing holding companies to take a greater interest in the day-to-day management of their subsidiaries, which, judging from recent comment in your columns, must be an improvement. It might also tend to inhibit "irresponsible" takeovers.

Keith D. Versey.
Kingfisher (Lubrication),
Meanwood Road, Leeds.

The elusive all-electric car

BY DAVID FISHLOCK, Science Editor

A BRITISH driver of an electric car, warned by a red ligbt on his dashboard that he had run out of juice, is said to have gone cable-in-hand to the front door of a nearby house and asked for a quick charge. The occupants were sure that he must be from Candid Camera and responded unhelpfully.

Others might worry that such a request could let them in for a bill comparable with a call to Australia. They would worry needlessly. An hour's charging of the exhausted batteries of the car in question—ample to see it on its way again—would have cost about 7p, say the price of a cup of petrol. The true running cost, as we shall see, remains firmly with the car owner and is disconcertingly high.

Electric cars really are different—and not only in running costs—from the other kind. We have a long way to go yet in learning to live with their idiosyncracies. I write as one who has lived with an electric car through three seasons, and experienced some of its unique brand of alarms and excursions. I recall the frosty night last winter when at 2 am we ran out of juice in a lonely lane a good mile from home, after a journey of less than the minimum mileage the Electricity Council had assured us we could get on a full charge. The post mortem next day disclosed that during the evening my wife had demonstrated it at least three times to the dinner guests. What we should have practiced is what in Europe they call *biberonnage* or "bottlefeeding"—taken the opportunity to plug in. It would have hummed contentedly while we were having dinner.

In 1966 the Electricity Council, marketing arm of the electricity supply industry, took the bold step of investing in 66 electric cars. The idea was that they would form what the council calls a "rolling test-bed"; a statistically significant number of vehicles with which they could investigate some of the problems both motorists and and the manufacturing and service industries would face in trying to introduce electric motoring to a public accustomed to the high level of performance and service associated with the petrol engine.

The 66 vehicles began to arrive in 1975. They formed about half of a production run of 120 two-seater Enfield 8000s, in six different colours. They were virtually hand-made at the rate of about a dozen a month, on the Greek Island of Syros, by Mr. John Ackroyd, then managing director of Enfield Automotive but now chief designer of Project Thrust, a jet-propelled quest for the world land speed record. The rest of the production run was sold privately, at a price of around £2,800 per car in mid-1975. Most of them went overseas, although the proud owner of one is a Harley Street doctor for whom the diminutive car eases problems of parking.

When Enfield abandoned its interest in the vehicle the Electricity Council volunteered to undertake any modifications private owners might wish to make in light of its own experience.

In fact, the "rolling test-bed" of 66 has exposed plenty of problems. Initially the cars were allocated to Electricity Council executives at its head offices in London, who used them mostly round London, within easy reach of its own engineers. For their first 2,000 miles the cars had few problems, says Dr. David Porter, who is in charge of the "rolling test-bed." Then the project began to allocate cars to electricity area board executives "and all hell broke loose." The trouble, he says, was that they were spread very thinly, often far from their own engineers in London. When something went wrong the car was often abandoned, its batteries went flat, and in no time at all people were talking of "disasters."

Last year they grouped the Enfields round four project centres, in London, Newcastle, Ipswich and Bristol. Now the computer is beginning to amass useful running data on vehicles regularly doing more than 200 miles a week in some cases. But patterns of use differ widely.

My wife — a midwife — is one of the drivers, and uses Enfield No. 13 for village shopping and to commute six miles or so across country to her maternity department. Overall, her experience seems to be typical: namely now that the initial design and manufacturing defects have been eradicated, the Enfield 8000 is a very robust and dependable runabout. Its traction circuit is proving extremely reliable. The latest designs of controls, modified from the original version, have suffered no failure, with mileages in some cases as high as 20,000.

The basic weakness of present-day cars is the battery

"Batmobile," as our bright-orange car was cynically christened—even 6 cwt of lead batteries fore and aft confer a performance far short of that of Batman's famous vehicle—is no high-technology car. Its designers deliberately settled for simplicity in its electrics. It has no system of regenerative braking, in which the energy dissipated in braking would be put back into the battery. It has no thyristor (transistor-like) switching but sturdy old contactors that click reassuringly as you "change gear." Thyristors would cost three times as much and would have to be replaced as a package if *anything went wrong, says Dr.* Porter.

Perhaps the most obvious advantage of an electric engine over the internal combustion engine, mechanically speaking, is that it has just one moving part, the armature of its 6 kW (8 hp) drive motor. For comparison, the internal combustion engine has about 100, each one a potential source of noise and of wear. Low maintenance costs is one big reason why electric vehicles are loved by operators of certain fleets of commercial vehicles, such as milkfloats in Britain and postal vans in the U.S.

Undoubtedly the most obvious weakness of the electric car is the battery. Furthermore, in spite of occasional flurries of Press excitement reminiscent of the periodic claims of cures for cancer or cheap solar power, it is a weakness for which there is no cure at hand.

The rub is how to receive and store electrical energy as quickly and compactly as petrol can be stored. Professor Michael Bird of Bristol University puts the problem succinctly. The hose in the hand of your garageman will fill a 10-gallon tank in about one minute. At 45 kilowatt-hours per gallon, he has charged you up with about 450 kWh. The rate of transfer of all that energy is about 27 megawatts. At that rate, a garage with 20 pumps filling cars simultaneously is transferring energy at the rate of a sizeable power station, 540 MW.

The "Batmobile" stores its energy in eight batteries. Plugged all night into a 13-amp domestic power supply—it has a built-in battery charger—they manage to soak up the equivalent in energy of about half-a-gallon of petrol. This will keep it going for between 24-56 miles, depending on driving conditions.

But those eight batteries have cost the Electricity Council about £1,000. Their lifespan is therefore a much bigger factor —10 times bigger or more— than the cost of electricity itself in the real running costs of the car.

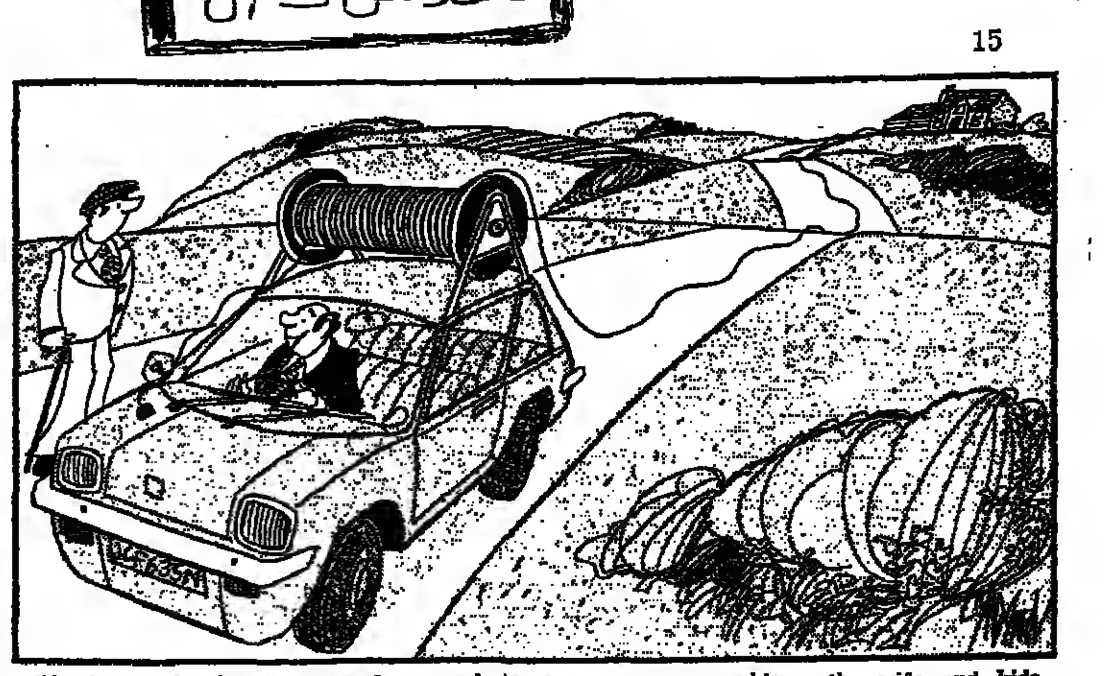
At the start of the project no battery available was tailored to the demands of the lectric car. There was the choice of using one of two standard types of lead-acid battery: the ordinary *car starting battery or the traction* battery, of the kind used by milkfloats. These are quite different designs, because one is intended to deliver a great deal of economy very briefly but rarely goes flat, and the other to deliver much less energy very steadily until it is exhausted. A milkfloat in Britain, for instance, averages 44 miles a day at about 4 mph. By the standards required of the electric car, the milkfloat is a low-performance vehicle and is battery makers will guarantee their products for four years.

Initially, they chose to use starter batteries for the Enfields. But in a vehicle with a top speed of about 35 mph—they claim 40 but in my experience it will do this only when going down a step hill—these batteries had a life of only 2,000 hours.

Currently most of the Enfields are equipped with a modified type of the traction battery. They happen to be of French manfacture, by Fulmen. But this is mainly due to the fact that its batteries happen to fit best into the available space, Dr. Porter says.

Even at four times the life of the first batteries 7,000-8,000 hours the £1,000 worth of "Batmobile" batteries works out at a running cost of 7-8p per mile, in addition to the cost of electricity. A unit of electricity, costing 1.5p, will run it for 2 to 3 miles.

What are the prospects for a "superbattery," entirely different from the lead-acid kind, for which bold claims are frequently made? Is there a lightweight one that might store much more energy within the same weight and volume? One is certainly needed if the range and speed of the electric car are to be extended appreciably.



"It keeps the battery topped up and if there are any problems the wife and kids just tow me home."

The cynic might say that the "superbattery" always seems to be five years away. Battery technology does take a long time to develop, not least because it requires several years to life-test any given combination of materials and *manufacturing methods through* the thousands of cycles of charge and discharge.

One promising lightweight battery is the sodium-sulphur type, invented by Ford Motor in 1966. Today the Electricity Council claims that Britain is in the vanguard of development through a joint venture called Chloride Silent Power, set up in Runcorn with Chloride Electric six years ago. The venture, with government backing, is spending about £2m a year learning how to make and test a battery for the electric car. Its target is one with a life of 1,500 cycles of charge and discharge; say, six years at 250 overnight charges a year. But another important objective is to demonstrate convincingly the safety of a battery containing molten sodium metal instead of dilute sulphuric acid.

The aim is to be able to charge overnight 250 times a year

In the U.S., where the Administration has declared its intention of introducing the electric car in five years' time, there is strong competition for generous government funding for "superbattaries." The latest to be unveiled, in June, is a veritable miniature chemical processing complex, electronically controlled in a sealed package. It has been developed by Gulf and Western Industries at a cost so far of about $45m (mainly government and electricity supply industry money). This zinc-chlorine battery could in principle prove to have an exceptionally long life. In practice, it would seem, however, to be the most complex and potentially the most hazardous car battery invented yet — because of the dangers of chlorine gas.

"The lead-acid battery is going to take a lot of shifting," believes David Porter. The threat from "superbatteries" during the 1970s prodded manufacturers into more research into the time-honoured product. The result has been quite dramatic improvements in performance. One Enfield, for example, has notched up 12,000 miles with an advanced Oldham traction battery design. Even the sodium-sulphur "superbattery," when it finally arrives is not expected to offer an electric car a better performance than a maximum range of 100 miles — twice that of the Enfields — and a top speed of perhaps 50 mph.

The "rolling test-bed" has now accumulated about 500,000 miles of experience. The Electricity Council has forged links with two other major electricity suppliers: Electricite de France, which has accumulated over 1m kilometres of experience with electric Renaults, and RWE, West Germany's biggest utility. All three have their eyes fixed on a situation a decade or two away when a high proportion of their electricity will come from nuclear stations, and they will want to take every opportunity of selling more electricity at night. The point has clearly been taken by one of my neighbours who, coming upon the "Batmobile" covered in snow one day last winter, wrote on the roof, without comment, the letters "PWR."

But the Electricity Council now admits that the battery alone, even if "bottlefed" during the day as well as at night, may never solve the problem of a socially acceptable electric car competitive with the petrol engine. The answer, it says, may be a hybrid powerplant burning petrol for endurance and speed, and switching to batteries when used as a runabout.

Weekend Brief

How the recession is biting into the perks of travel . . . life among the Iranian purges . . . Jimmy Rawlings (Rtd.)

Jet set economy measures

IF you're wondering why the chap sitting beside you on your next super-apex double discount, budget special flight across the Atlantic is looking so glum, forget life's usual tragedies—left his briefcase in the airport loo, forgot to cancel heavy dinner date, on his way to favourite relative's funeral. The reason for the long face is that for the first time in his working life he is flying economy class. Dozens of Britain's big companies are now asking senior executives for whom first-class air travel and the VIP lounge were once an automotic prerequisite, to fly economy class.

Alexandra Jackson, business travel sales manager for American Express Travel Service, which handles the travel arrangements for some of Britain's larger corporations, says that over the last two months most of her clients have asked for their travel arrangements to be reviewed—with a view to cutting the budget to cope with the lean times ahead.

"A good number of them have asked how much they will save by sending executives who traditionally always fly first class, by club class or economy—and when they find out just how much they can save, they say great, book them all economy. Of course, we do get some adverse reaction from some of the executives concerned. One of our clients, an international shipping company, issued a directive saying that everyone, including the vice-president, must fly economy from now on. That really upset the vice-president, who is 6 ft 7 in and needed the extra leg room that you get flying first class."

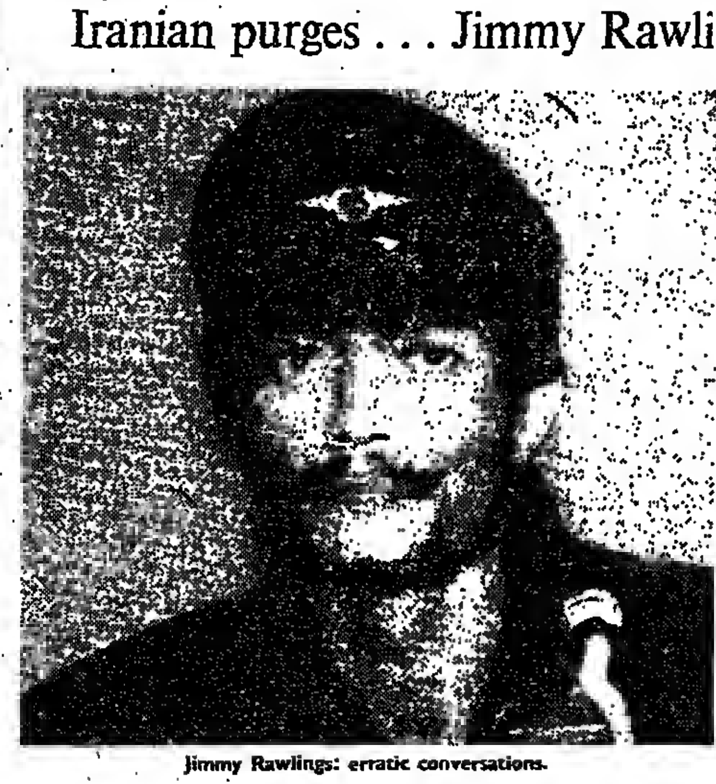
"No they haven't started asking us to book the chairman into a small, clean pension yet, but they are asking us to see what kind of deals we can negotiate for them with various hotel groups. Some big companies are now prepared to guarantee they will place all their overseas accommodation with one international hotel chain if the discount is big enough."

Over at Hogg Robinson's Business Travel division, Mike Gates says some of his clients are taking the economy measures even further.

"A large number of our customers are now asking us how much they will save by sending their executives on a seven-day package holiday rather than a five-day business trip. The difference can be enormous, especially on long-haul flights. Take *Bangkok*— a return economy flight only is around £1,200. A seven-day package, including accommodation at one of the best hotels is only £500."

The airlines have also noticed a definite change in business travel patterns over the last couple of months. British Airways Business Travel division notes that many businessmen appear to be eliminating hotel accommodation altogether when visiting Europe. They say that more and more British executives are taking the first flight out to Paris, Brussels or Amsterdam and the last flight back, packing what used to take two days into one and thus avtoding a costly overnight stop-over.

The reaction of most frequent corporate travellers — aside from the shipping executive with the extra lon glegs—seems to be fairly philosophical when taxed on the new economy measures. The vice-president of an international merchant bank who seems to spend half his life on planes between here, New York, the Middle East and the Far East has accepted his *demotion* from first to economy with equanimity: "These days it's the bottom line that counts. Unless there is a very good reason for travelling first class —for instance getting off an overnight flight and going straight into a client meeting— all our senior executives now cut costs and fly emonomy. We know just how travel can eat into profits. Of course it depends a lot on whose paying for the flight. If its our budget, we go economy. If the client is aying, well that's a different matter."



Jimmy Rawlings: erratic conversations.

Purge in Iran

OVER the past month Iran's militant clergy has pushed for "a revolution within the revolution" to sweep away the remnants of the old regime. Little has changed in the 18 months since the fall of the Shah, says Ayatollah Khomeini, Iran's revolutionary leader.

In practice, anybody opposed to the militantly clerical Islamic Republican Party (IRP), the most powerful political group in Iran, is vulnerable to the purge. Supporters and allies of Iranian President Abolhassan Bani-Sadr have come under increasing attack and a pristine revolutionary record is no defence.

Every Ministry and state organisation has its Islamic Society and purge committee, frequently linked to the IRP. Purges organised by Ministries themselves are supplemented by visitations from the powerful Revolutionary Prosecutor's office, which has the power to stop the salary of any who arouse its displeasure.

The solution proposed for almost every political and economic problem is a further bout of purges. Earlier this week, the Defence Minister said that 12,000 had already been purged from the army, but he warned that, if the current round of purges cut too deep, there would be no effective army left.

Following the recent military conspiracy, army officers on leave are being told to report for duty or be considered counter-revolutionaries. Retired army and police officers living abroad must return or lose their pensions.

The line between any form of dissidence or opposition to Government policies and former membership of Savak (the Shah's secret police) is increasingly blurred. Apparently to create the right atmosphere for the current purge of the army and others implicated in the recent conspiracy, the papers last week published a list of 1,271 former Savak members.

Ayatollah Khomeini appears to sincerely believe that by a combination of purges and a thoroughgoing cultural revolution the sprawling Iranian bureaucracy can not only be made more Islamic, it can also be made to work efficiently.

Under the Shah, the civil service was notorious for its incapacity and extreme overmanning. The Government is currently estimated to have 60 per cent more officials than it needs. According to one survey, they work an average of one and a half hours a day.

But the current wave of purges, the prime aim of which is to allow the clergy and their supporters to secure all positions of authority, is likely to lead to even greater paralysis of the state machinery. Those dismissed are frequently technicians already in short supply.

There is little sign of this ending. The IRP and the clergy see the purges and the cultural revolution as their most effective weapon in attacking President Bani-Sadr and their opponents on the Left. Through their Islamic societies, purging committees and special investigating teams, they can largely control the Government, whatever ministers are nominally in power.

Where is he now?

Jerry Rawlings' moody look suddenly turns to one of acute interest. The conversation has turned to his favourite topic— the June 4 "revolution" in Ghana which brought him to power as chairman of the Armed Forces Revolutionary Council last year. Things have changed a bit since then. He is now out of power having handed over to a civilian government last September, out of the air force from which he was retired last December and out of favour with President Hilla Limann's government for the provocative remarks he has made about the new regime.

Nobody quite knows what to do with Jerry Rawlings, least of all Jerry Rawlings. Once the Bjorn Borg of military coups, because his sallow, ascetic features made a thousand ladies swoon, he is obviously having difficulty adjusting to his new status. From his position in the wings he keeps interrupting President Limann's performance and it's getting on the nerves of a lot of people in the audience. In a country less tolerant than Ghana, it is widely thought that he would long ago have exchanged his air force wings for real ones.

Instead he spends his days diving or visiting friends and helping where he can. He lives comfortably, if far from ostentatiously, in the same rented flat on the outskirts of Accra which he occupied before the coup, with his wife and child, on his air force pension.

For his safety he has two policemen camping outside his house day and night, although their interest in visitors is minimal. Rawlings also carries a sub-machine gun which he *places with studied* nonchalance on the coffee table in front of him. His lanky frame and light skin colouring (his father is Scottish) make him easily recognisable around town.

But there remains the problem of what he is going to do now. President Limann referred to him in a speech recently, without naming him, as a "pot smoking paranoiac." Rawlings himself sits broodily playing the tape over and over.

His friends say he is not interested in contemporary politics and prefers to discuss revolution, restructuring Ghanaian society and rescuing the gains of the June 4 coup. When asked a direct question he tends to get up in an apparent fit of pique and go for a walk i nthe garden. He is, overall, an erratic subject for conversation.

Contributors:
Robyn Wilson
Patrick Cockburn
Mark Webster

Economic Diary

TODAY—Sir Geoffrey Howe, Chancellor of the Exchequer, attends Honiton Conservative Association divisional fete, Budleigh, Devon.

SUNDAY—International symposium on prevention and detection of cancer, Wembley Conference Centre.

MONDAY—Mr. Norman Fowler, Transport Minister, speaks at public meeting, Lytham St. Anne's. International Conference on Atmospheric Electricity opens in Manchester (until August 4).

TUESDAY—House of Commons debates Opposition motion of no confidence in the Government. Lord Carrington, Foreign Secretary, begins official visits, with UK businessmen, to Brazil, Barbados, Venezuela and Mexico. Civil Aviation Authority annual report.

WEDNESDAY—House of Commons debates Liberal motion on the indifference of the Government to plight of small businesses—also debate on Opposition motion on the disastrous effects of Government policies on the textiles and clothing industries. Confederation of British Industry industrial trends survey (July). National Coal Board annual report. British Airways annual report. British Shipbuilders annual report. Manchester City Council meets to finalise measures to solve city's financial crisis.

THURSDAY—Annual reports of Electricity Council and Central Electricity Generating Board. Sir John Mason, Meteorological Office director, addresses Atmospheric Electricity Conference, Manchester. Energy Trends publication. Department of Employment Gazette includes unemployment and unfilled vacancies (June—final); employment in the production industries (May); stoppages of work due to industrial disputes (June), overtime and short-time working in manufacturing industries (May); and quarterly estimate of employees in employment (first quarter).

FRIDAY—Mr. Mark Carlisle, Education Secretary, addresses Professional Association of Teachers Conference, Cardiff. Car and commercial vehicle production (June final). Inaugural flight of British Caledonian to Hong Kong.

John Brown's £7m fall but liquidity is strong

PROFITS BEFORE tax of John Brown and Co., reached £21.13m in the year ended March 31, 1980, but Mr. J. Mayhew-Sanders, chairman, describes the result as disappointing when compared with the previous year's record £28.4m and the £23m of 1977-78.

However, the profit is comfortably over the bottom figure of £18m forecast in the interim report in January, when in announcing the group's intention to acquire Leesona Corporation, the directors wished to be more than normally cautious, the chairman says.

Turnover for the year, which includes the results of CJB and its subsidiaries for 15 months, rose from £389.83m to £463.05m.

Stated earnings per share are 13.7p against an adjusted 22.9p. The final dividend is 2.5p to make a total of 4.25p net—the previous total was 3.59p adjusted for a share split and scrip issue.

Profits on a CCA basis are reduced to £15.84m (£22.7m) after adjustments for depreciation £3.52m (£3.1m), cost of sales, £5.43m (£3.85m) and gearing, £3.65m (£1.35m).

Extraordinary debits for the year comprise provisions for closure costs and major restructuring in the machine tool and gas turbine divisions of £3.87m less tax of £1.6m but was offset by a £2.24m surplus over book value on the sale of shares in Westland Aircraft.

An analysis of turnover and profit shows gas turbines and specialist fabrication contributed £74.37m (£80.17m) and £5.3m (£10.13m), process engineering and construction, £245.8m (£168.9m) and £7.77m (£11.68m), machine tools, £55.27m (£58.1m) and £1.03m (£420,000) and general engineering and miscellaneous, £87.61m (£82.66m) and £6.82m (£6.98m).

The group's liquidity position was strong at the year end and is expected to remain so. There are now term borrowings of a little over £50m, arising principally from the financing of the Leesona acquisition and all on satisfactory terms: net bank balances and short-term investments at March, 1980, on the other hand were only slightly lower than a year ago at around £29m.

The chairman believes, the group is now in a significantly stronger strategic position than it was 12-18 months ago, notably as a consequence of the successful acquisition of Leesona and of real progress in the year towards solving some of the long-standing problems of the machine tool side.

However in the short term, the chairman warns that almost certainly there will be a further substantial drop in the profitability of gas turbine operations: there may well be a further decline in performance from process engineering and construction; elsewhere in the group order books are down and activity levels and therefore profits will fall.

On the other hand, the group has Leesona which, despite the recession, still expects to make a useful net contribution to profit and the machine tool division may do better this year.

Since the end of the financial year an agreement has been signed with Sandvik to sell to them the business carried on at the Maltby works of Firth Brown Tools which includes manufacture of the Aveo range.

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Midland increases bad debt provision to £39m

FOR the six months ended June 30, 1980, profits before tax of Midland Bank amounted to £124.5m compared with £138.5m in the same period last year and £177m for the second half of 1979.

Operating costs, especially staff costs, continue to rise rapidly, say the directors, and it has also been necessary to provide £39.4m for bad and doubtful debts compared with £4.6m in June last year and £7.5m in December, 1979.

The provision includes specific amounts of £38m against £3.3m a year earlier and £6.6m in December last year.

Inflation accounting shows a significant reduction in profits—the CCA figure is down to £36m (£82m) after adjustments for monetary working capital, £114m (£67m), depreciation, £3m (£6m) and gearing, £33m (£20m).

Basic earnings per share are stated as 48.4p against 49.2p but CCA accounting reduces this to a 6p loss against 15p earnings. Fully diluted earnings historically are 44.2p.

The interim dividend is maintained at 7.5p—the previous total was 20p.

Although the results were further affected by the absence of a trading contribution from Standard Chartered Bank, profits from international banking showed a modest improvement over the second half of 1979.

This was an encouraging performance in the light of the narrowing interest margins on currency lending — brought about by intense competition in this field—and of the effects of the continued strength of sterling on income arising overseas, the directors say.

In the related services area, the high cost of funds as compared with the first half of 1979 adversely affected net returns on business written at fixed rates by the Forward Trust Group.

However, this was more than offset by the benefits of a higher volume of instalment finance and leasing business and by increased revenues from the merchant banking area.

	Six months 1980 £m	1979 £m
Trading profit	134.7	139.3
Associates profits	9.7	14.8
Loan interest	19.9	15.6
Profit before tax	124.5	138.5
Tax	44.8	58.2
Net profit	79.7	80.3
Minorities	0.5	0.3
Extraord. credit	0.8	*0.3
Attributable	80.0	79.7
Dividend	12.3	12.2
Retained	67.7	67.5

* Debit.

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
AC Cars ....int	Nil	—	0.14	—	0.14
John Brown	2.5	Oct. 6	2.13*	4.25	3.59*
Concord Rotaflex ....int	0.1	Oct. 10	0.52	—	0.52
J. & J. Dyson	2.5	Oct. 1	2.22	5	4.5
Elbief	0.92	Oct. 17	0.92	1.3	1.3
Gresham Hse. ...sec. int	2.25	—	1.9	3.65	3.3
Howard Machinery ...int	Nil	—	0.58	—	1.17
Harold Ingram	Nil	—	2.25	1.44	3.69
Midland Bank ....int	7.5	Oct. 3	7.5	—	20
A. Monk	1.25	Sept. 15	2.51	1.25	3.51
Plastic Construct....int	0.84	—	0.84	—	2.67
RFD Group	2	Sept. 15	2	2.8	2.7
Wm. Sommerville	3.95	—	3.45	4.5	6.04‡
Stirling Knitting	0.5	Oct. 17	0.4	0.85	0.75
F. H. Tompkins	0.78	—	0.65	1.35	1.15

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including special dividend of 2p.

A. Monk £0.5m loss despite recovery in second half

DESPITE A return to profit in the second half, A. Monk and Co., civil engineering and building contractor, finished the February 29, 1980 year with pre-tax losses of £465,000, compared with profits of £3.48m previously. Turnover expanded by £16.5m to £88.2m.

At halfway losses totalled £955,000 (£657,000 profits) and the interim dividend was omitted.

The directors now state that although they recognise that conditions in the construction industry are likely to remain difficult for some time, they feel justified, in view of the second half improvement and the current state of the order book, in recommending a final dividend of 1.25p net per 25p share—last year's total was 3.5085p.

Loss per share is given as 4.8p compared with earnings of 11.5p.

During the year the Inland Revenue challenged amounts claimed as allowable in earlier years in respect of provisions made against the trading debt due from the Nigerian company. In the directors' opinion the debts represented normal trading debts and as such were correctly claimed as allowable, and the Board has been advised by Counsel to contest any disallowance made by the Revenue.

They say it is not possible to forecast the eventual outcome but, if the amounts in question were subsequently disallowed in full, a provision of £1.6m would be required. Of this sum, only £905,000 would represent a current tax liability, which would be set against tax recoverable of £420,000, and the remaining £695,000 would represent a deferred tax liability.

Reference will be made in the audit report to this uncertainty, they add.

● comment

The second half improvement at A. Monk is at least in part an illusion. The interim loss reflected provisions of over £1m on two major contracts and roughly 25 per cent of these were used up in the second half. Monk has a very strong balance sheet but its markets are still deteriorating and the underlying trading performance is showing little, if any, improvement. So the decision to pay a dividend on pre-tax losses of almost £0.5m is a curious one. The group has won some major orders, notably a £30m contract from British Rail, but its experience with large-scale business has recently been less than happy. The last thing it needs at present is a wrangle with the Inland Revenue which could produce a net current tax liability of around £0.5m. The shares rose 1p to 33p yesterday, producing a yield of 5.6 per cent.

JOHN I. JACOBS

Due to an agency error, the turnover of John I. Jacobs and Company was incorrectly stated in yesterday's paper to be up £10m at £749m. The correct figures are £10,000 and £749,000.

F. Tompkins expands to over £2m

AFTER RISING from £717,000 to £829,000 at midway, pre-tax profits of F. H. Tompkins made a further advance in the second half to finish at a record £2.06m for the year to April 27, 1980, compared with £1.65m.

Turnover of the group, which manufactures buckles, bright drawn steel and nuts and bolts, went ahead from £17.93m to £21.47m.

The results can be regarded as satisfactory in a sector which was at the centre of the engineering and steel strikes, says Mr. G. G. Garman, the chairman. Despite difficult conditions, developments planned for the buckle and fastener distributor interests are proceeding.

After tax of £513,394 (£530,287), minorities, £11,437 (£5,259) and an extraordinary debit last time of £62,456, stated earnings per 5p share are up from 4.415p to 6.084p.

The dividend is lifted to 1.35p (1.15p) with a final of 0.775p and absorbs £341,168 (£290,627).

Howard Machinery slumps at midway

AN ABNORMALLY low level of demand world-wide for agricultural machinery has brought a £1.3m turnround to losses of £944,000 in the six months to the end of April, 1980 at Howard Machinery, and the directors are omitting the interim payment. The corresponding period in 1979 produced profits of £359,000.

They say there is no sign yet of any improvement, and the results for the full year will reflect this position. Last year, pre-tax profits were £1.23m, down from £2.28m, and dividends totalling 1.17p were paid.

● comment

Matters are going from bad to worse at Howard Machinery. The share price, which stood at 29p a year ago, dropped 2p to 9p yesterday. At this level it represents a small fraction of the book asset value and financing these assets is one of Howard's most pressing problems. First half profits were swamped by interest charges and, despite substantial asset disposals, gearing remains at an alarming level. Property sales could realise about £2¾m over the next few months but more radical pruning may be necessary. The UK Rotavator division, which makes all the trading losses, would be the obvious target. Virtually no area of the business is improving its sales, however, and the immediate outlook is extremely grim worldwide. So complete closure of the germ of Howard's business, the British Rotavator operation, may prove the price of survival.

Minet down in first quarter

AFTER HIGHER expenses of £7.74m against £6.95m, pre-tax profits of Minet Holdings, Lloyd's and general insurance broker, came out well behind at £394,000 for the first quarter of 1980, compared with £943,000.

The directors explain that because of the nature of the group's business, income—up from £6.75m to £6.86m for three months—does not accrue evenly through the year, and results for the quarter should not be taken as to what may be expected for the full year.

For the whole of 1979 the taxable surplus was £8.47m; brokerage income amounted to £33m.

Pre-tax figure for the three months included other income of £1.27m (£1.14m).

Reorganisation costs and trade fall-off puts RFD into the red

The cost of a major reorganisation and a fall-off in demand for some of its products has resulted in RFD Group tumbling into the red for the 12 months to March 31, 1980.

On turnover up from £21.4m to £26.37m, the group, which manufactures inflatable products, military software and specialist textiles, incurred a pre-tax loss of £434,000, compared with a profit of £2.31m.

However, despite the poor results the directors are maintaining the final dividend at 2p, which makes a total for the year of 2.8p net, compared with 2.7p.

They say they are confident in the actions already taken or in progress and in the long-term future of the group.

At mid-year, when taxable profits were down from £1.06m to £813,000, the Board said profits for the full year were unlikely to exceed those for 1978-79—adding that it was too early to take a definite view.

For the year as a whole the directors say the most important feature was the reorganisation of the group.

Profits from operations were less than half those of the previous year—and they were more than absorbed by the costs of the reorganisation, which involves the streamlining of the group, the closure or sale of five operating units and a reduction of 15 per cent in the numbers employed at all levels.

Trading profits suffered from reduced demand and low margins in a number of traditional businesses, particularly in the second half year.

Interest costs were higher due to increased working capital requirements, the cost of financing the acquisition of Lindsay and Williams and higher rates.

The rationalisation and reorganisation costs, which were charged against profits, amounted to £1.2m.

Trading profits for the year, after interest charges up from £128,000 to £507,000, slumped to £767,000, compared with £2.26m, including a decline from £942,000 to £171,000 in defence equipment.

Tax paid amounted to £153,000 (£435,000) including a prior year credit of £72,000 (£57,000).

After minorities losses of £26,000 (£4,000), exchange losses of £78,000 (£69,000) and goodwill written off on the acquisition of Lindsay and Williams amounting to £265,000 (£41,000) there was an attributable loss of £956,000 (profit £1.77m).

There was a transfer from reserves of £1.34m (£1.39m credit).

Stated loss per 10p share is 4.53p (13.74p earnings).

● comment

Earlier indications from RFD that full year profits were "unlikely to exceed those for 1978-1979" should win a prize for understatement. Adding back the exceptional costs of reorganisation, the company made a loss of £154,000 in the closing six months against a profit of £1½m. However RFD has indulged in some "significant" stock write-offs. Had it not been for these there might have been a small profit in the second half. Nevertheless the current six months will remain difficult. New orders for defence equipment are sluggish, in particular simulator equipment for the "Third World." Inflatables are equally unexciting, while specialist weaving is really in the doldrums — the year's profit of £551,000 was mainly achieved in the first half. The balance sheet meantime has probably seen a £2½m increase in debt, £1m of it reflecting the Lindsay and Williams acquisition, but gearing is still under 40 per cent. At 42p the shares yield 10 per cent — a rating which it may be able to hold if the next set of figures are not too dismal.

Rotaflex ready for improvement

INCLUDING NON-RECURRING costs of £235,000 against £137,000, Concord Rotaflex, electric light fittings group, has suffered a pre-tax loss of £164,000 for the half-year to June 30, 1980, compared with a £523,000 profit.

On reporting a loss for the 1979 year of £296,000, the directors said that there would be an improvement for the first half of the current year, compared with the pre-tax loss of £819,000 for the past six months of 1979.

The directors explain that the deterioration in the European economy, especially in the second quarter, coupled with high inflation, depressed sales in real terms — external total for the period was £13.89m (£12.35m).

However, liquidity improved by some £1m, primarily as a result of an overall reduction in stocks.

Radical action has been taken within the group, resulting in a loss of 200 people. Provided there is no further deterioration in the European economy, the directors say the measures taken should lead to improved results in the second half.

The directors are paying a nominal interim dividend of 0.1p (0.5195p) net per share — last year's final was omitted.

● comment

Concord Rotaflex just managed to creep its pre-tax results into the black but another round of cutbacks and redundancies has resulted in an attributable loss and the virtual disappearance of the dividend. Trading has been tough both at home and overseas with Germany and France particularly bleak. A few bright spots could be found in the Middle East and Switzerland while at home Concord achieved some reasonable orders with the Ministry of Defence for light fittings on ships. But a smattering of good orders is not enough to offset the need for general belt tightening. Stocks have been clipped back by £700,000 and a similar reduction is envisaged in the closing six months. Borrowings are £1m lower (the last accounts showed net debt of £4.2m and shareholders' funds of £5.3m) but interest charges are still hefty —£400,000 in the first half. The shares at 15p give a market capitalisation of under £1.7m.

Results due next week

Next week brings interim news from National Westminster, the third of the big four clearing banks to report, and Grindlays Holdings, the UK based overseas banking group. According to analysts, the figures from both organisations may be little better than pedestrian.

NatWest will be following in the footsteps of the dismal showing by Midland and the disappointment from Lloyds. Analysts were hastily revising their estimates downward yesterday and a pre-tax profit of £240m to £250m is now expected against last year's interim of £220.6m.

Healthy loan volumes and higher base rates should still have helped NatWest, but uncertainties remain about the level of bad debt provisions which may appear. A 10 per cent dividend boost would bring the interim to about 8p net, but the increase might be a trifle higher.

At Grindlays, outside forecasts call for a static profits picture or decline from last year's £16.3m pre-tax to as little as £15m. The reason for this is the toll which has been taken by strong sterling: the bulk of Grindlays' business is tied to the U.S. dollar around the world. In the full year, profits could fall below last year's £37.3m if the pound keeps riding high.

Analysts are expecting Inchcape to produce pre-tax profits of around £66m when it announces its preliminary figures on Monday. In the previous year it made £41m but these profits were depressed by almost £18m of losses at the Harborn cocoa trading subsidiary. Inchcape Berhad has already announced a sharp profits rise, prompted by widespread rationalisation and buoyant trading conditions, so profits from South-East Asia could well touch £15m, compared with £9.1m last time. The Far East will also have done well, even if the strength of the pound has trimmed back growth. In the UK, however, the progress of the Toyota business will have been largely offset by a weak performance from Mann Egerton.

Reed International looks certain to produce first quarter profits below last year's £26.5m when it reports three-month figures on Wednesday, but analysts are quoting a wide range of forecasts. Anything between £17m and £21m seems possible.

The main source of uncertainty is the journalists' dispute, the cost of which IPC has quantified at £10m. Subsequent use of copy written during the dispute may, however, have reduced this figure to about £6m. The other principal depressant will have been a severe weakness in the UK packaging market in which Reed is heavily involved. The remaining overseas operations will have compensated only a little for these two factors.

Full-year profits from Acrow may well be less than half last year's £13.8m and, some analysts believe, could be as low as £5m. At the half way stage, profits were down by 78 per cent to £1.3m and the same depressing factors will be apparent in Tuesday's figures—a high level of gearing, a strong pound and a severe downturn in the mobile crane market. In addition, Acrow will have suffered from a strike at Adamson Containers during the second half.

The batch of company reports next week will also include Vantona's interims on Tuesday, preliminaries from Fitch Lovell and Dixons Photographic on Thursday and half-time figures from Lex Service Group on the same day.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Acrow	Tuesday	1.5	1.5	1.5
Belhaven Brewery Group	Tuesday	—	0.03125	—
Blackman & Conrad	Wednesday	—	—	—
Brady Industries	Tuesday	—	3.0	1.5
Cook (Wm.) & Sons (Sheffield)	Friday	0.525	0.7875	0.6
Crey Electronics	Friday	0.57	1.15	0.57
Dixons Photographic	Thursday	0.7575	2.09503	1.25
Fitch Lovell	Thursday	1.29712	3.35771	1.491
Gresham Inv. Trust	Monday	0.79661	1.55	0.88
Hampson Industries	Monday	0.25	0.47727	0.275
Inchcape	Monday	5.5	10.0	7.15
Jarvis (J.) & Sons	Wednesday	4.9	5.0	5.5
Macarthys Pharmaceuticals	Thursday	1.5	5.0	2.0
Manson Finance Trust	Tuesday	1.125	1.5	1.5
Midland Trust	Thursday	2.01	3.325	2.46
Provincial Cities Trust	Monday	0.791	0.98	0.71
Ransom (Wm.) & Son	Thursday	1.297	3.63	1.427
Regional Properties	Tuesday	0.5	1.0	0.65
Slaven Zigomala (Holdings)	Wednesday	—	5.0	—
Stock Conversion & Inv. Trust	Wednesday	1.34	2.625	2.1875
Ward & Goldstone	Monday	0.9	4.0916	0.9
Wyatt (Woodrow) Holdings	Monday	1.0	1.5	1.0
INTERIM DIVIDENDS				
Allied Textile Companies	Friday	2.82	4.42	
Bank Leumi (U.K.)	Monday	2.8	5.768	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Bath & Portland Group	Tuesday	1.5	2.014	
Beaumont Properties	Thursday	1.5	3.0	
City Offices	Tuesday	1.3	1.74	
Colonial Securities	Monday	2.5	5.0	
C.S.C. Inv. Trust	Monday	2.75	3.75	
Ford (Martin)	Thursday	1.3	1.3	
Grindlays Holdings	Tuesday	1.0625	2.6875	
Hirst & Mallinson	Thursday	1.3	1.3	
Investing in Success Equities	Tuesday	1.05	3.85 ‖	
Lex Service Group	Thursday	2.5	4.2	
National Westminster Bank	Tuesday	7.25	10.25	
Pratt (F.) Engineering Corp.	Wednesday	2.2	3.8	
Prestige Group	Wednesday	2.5	4.375	
Rights and Issues Inv. Trust	Friday§	1.0	2.48	
Rights and Issues Inv. Trust	Friday a	—	0.174	
River and Mercantile Trust	Thursday	4.0	8.86 c	
River Plate & General Inv. Trust	Thursday	2.0	7.0	
Temple Bar Inv. Trust	Monday	2.25	4.75 b	
Vantona Group	Tuesday	3.0	5.0	
Weber Holdings	Wednesday	2.0	11.0	
Willer (Thomas)	Wednesday	0.7	3.33375	
Yeoman Inv. Trust	Wednesday	4.0	7.85	

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Total of first and second interims. ‡ Second interim. ¶ Includes non-recurring dividend of 1.05p. ‖ Includes non-recurring dividend of 0.75p. § On Income shares. a On Capital shares. b Includes non-recurring dividend of 0.388p. c Includes non-recurring dividend of 0.86p.

Deficit at £0.1m and Ingram switches tack

"THE MOST depressing year in the company's history," is how Mr. Harold Ingram describes the year to April 30, 1980 at the knitwear group which bears his name. "The figures speak for themselves," he states, and these show a pre-tax loss of £113,035 compared with a profit of £634,268—the second six months resulting in a £604,053 downturn from a profit of £280,653 to a deficit of £323,400.

At halfway, members were told that full year profits were unlikely to reach last year's levels. Mr. Ingram now says that demand for the group's traditional knitwear products is at its lowest for years, and shows no signs of improvement.

Under the circumstances the final dividend has been passed and the interim payment of 1.44p net is left to stand against last year's total of 3.69p.

Mr. Ingram states that he is as confident as he can be that the London Parcels subsidiary has a worthwhile future. However, group plans include a fundamental change in structure and style. Part of its manufacturing capacity is being jettisoned and substituted by imports.

Capitalising on its goodwill and distribution system, the group has formed a new company, Harold Ingram (Hong Kong). Through this it will import made-up garments into the UK and sell throughout Europe a wider range of goods than it has in the past.

These plans mean that by September group manufacturing capacity will have been reduced by about a half. Two of its four Leicester factories will close, and redundancies will occur. The dyeworks will, however, be retained.

For 1979-80 group turnover fell from £7.16m to £6.07m, with sales to third parties declining from £4.86m to £3.7m and inter-group sales showing little change at £2.37m (£2.3m). Exports slipped from £1.82m to £1.44m.

Pre-tax losses included a £69,000 start-up loss at London Parcels, £126,384 (£2,558) profit on sale of redundant machinery and receipts of £129,154 for short-time working compensation.

There was a tax credit this time of £185,069 (£332,346 charge), leaving a net profit of £72,034 (£301,922). Earnings per 10p share fell from 9.1p to 2.2p. Dividends absorbed £47,520 (£103,338) and £24,514 (£198,584) was retained. At April 30 the net asset value was 87.2p (£87.5p) per share.

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BIDS AND DEALS

Higgs' suitor is BICC

BATTLE has been joined between Higgs and Hill, the building group, and BICC, the electrical component manufacturer and civil engineer, which has revealed itself as Higgs' potential suitor.

On Thursday, Higgs' advisers, Lazard Brothers, suddenly announced that talks between the two parties (it did not name BICC) had foundered over an "unacceptable" pre-condition to any bid by BICC.

Yesterday, BICC described the pre-condition. Its advisers, Morgan Grenfell, said that BICC would not make a bid for Higgs unless it had first had an independent appraisal of Higgs' work in progress.

Higgs refuses to let BICC bring in outside auditors to assess the contracts in progress which amounted in the last balance sheet to £484m, less £476m of payments "received or receivable."

The balance is included in current assets and just exceeds some £10.5m owed to creditors. The figure has, of course, been verified by Higgs' auditors, Longcrofts, and the treatment is in line with the recently introduced accounting standard No. 15 which permits construction companies to take profits in stages during long contracts.

BICC's argument is that the detailed breakdown of work in progress on such a scale is material to a bid for a group like Higgs which has a market capitalisation of £6.8m (based on a closing price yesterday down 2p to 90p) and which made pre-tax losses last year of £900,000 after an exceptional provision of £2.5m.

Higgs' chairman, Mr. E. W. Phillips, refused to comment on BICC's statement yesterday, but it is thought that Higgs will be issuing some form of rebuttal in the next few days.

Talks between the two groups have been going on for three months but with yesterday's declaration from BICC, "they now appear to have reached an impasse," according to a spokesman.

BICC's tactic now is to appeal to Higgs' shareholders over the head of their Board. The Higgs family may hold as much as 15 per cent of the equity, but about half is in institutional hands leaving 35 per cent with independent shareholders.

Carbonising's dawn raid on Petrocon

National Carbonising, now called NCC Energy, has become the latest dawn raider.

Under its new chairman, Mr. Graham Ferguson Lacey, National Carbonising shed its central stake in London and Scottish Marine Oil but continues to invest in the energy sector, largely in oil exploration companies.

Yesterday's target was Petrocon, an equipment supplier to the oil industry. In five minutes National Carbonising's brokers, Halliday Simpson, picked up 1.77m shares of Petrocon, 29.9 per cent, for about £640,000.

Carbonising said it did not intend "at present" to increase its holding—which would entail a compulsory bid—but the share price of Petrocon ended the day at 35p, just 1p below Carbonising's purchase price and a 6p increase on the day.

Vickers has 71% of Rolls-Royce

Vickers has secured control of Rolls-Royce Motors but the bid is still subject to shareholders approval at an extraordinary meeting on Monday.

Vickers announced yesterday that acceptances of its offer had been received in respect of 71 per cent of the shares. The offer is being extended until August 8.

Rea Brothers, merchant bankers, has been attempting to rally opposition to the Vickers' bid on the grounds that it represents a poor deal for Vickers. Mr. Walter Salomon, the chairman of Rea has been contacting big investment institutions in his efforts to prevent the bid going through.

R-R yesterday poured cold water on the plan announced by the Bell Group of Australia to acquire 25 per cent of the R-R shares at 85p each, if the Vickers bid did not go through.

R-R said that it saw no advantage in the proposal made by Bell and had no intention of permitting any shares acquired by that company to be registered. R-R also said it did not intend to enter into negotiations with Bell.

DETAILS OF BRIT. LAND OFFERS

For every 100 Corn Exchange 10p ordinary British Land is offering £9 12 per cent convertible loan stock 2002 and £25.07 in cash.

Holders who accept the offer before the first closing date may elect to receive either more convertible stock and correspondingly less cash or vice-versa. Elections one way or the other by holders must, however, balance. If insufficient opposite elections are made, excess elections will be scaled down proportionately.

Arrangements have been made for Guinness Mahon, advising British Land, to make a separate cash offer at £2.77 per £1 nominal of convertible stock for all or any of the stock which Corn Exchange holders may become entitled to by reason of acceptance of the offer to the extent that their elections to receive excess cash for that stock have not been fully satisfied under the terms of the previous paragraph. The cash offer, which values each Corn Exchange share at 50p, will remain open until the first closing date of the offer.

At the cash underwritten price the offer values the whole of the share capital of Corn Exchange at £11.1m. Full acceptance will involve the issue of £2 nominal of convertible stock and the payment of £5.58m in cash.

British Land is also offering 50 ordinary shares of 25p for every 84 United Kingdom 25p ordinary. Guinness Mahon is underwriting the offer with 84p cash for the issued shares.

This values each UKP share at 50p and the whole UKP share capital at £21m. Full acceptance of the offer will involve the issue of some 25m British Land ordinary.

British Land intends to put appropriate proposals to holders of UKP "B" warrants.

New suitor for Lidstone

Greewalk Nominees, has effectively pulled out of its offer for LIDSTONE, the butchers and poultry group. The company announced yesterday that an approach had now been received from Gresham House Estate, a listed investment trust.

In April Lidstone announced that it had reached agreement with Greewalk under which that company would make a cash offer at 280p per ordinary share and 100p per preference share, subject to special, less favourable, prices for Mr. Gerald Sitcher, the chairman of Lidstone who holds 78 per cent of the ordinary.

Lidstone stated yesterday that Greewalk "entered into a legally binding agreement with Mr. Sitcher, but the offer document has not yet been issued in connection with this agreement and Greewalk, having repudiated the contract with Mr. Sitcher, has accepted this repudiation."

The new approach is from Security Exchange, a subsidiary of Gresham House, which is acting on behalf of Welsh Industrial Investment Trust (an unlisted investment trust) and in conjunction with R. Nivison and Company.

Security Exchange has intimated that if agreement is reached with Mr. Sitcher an offer will be made on the same terms as Greenwalk's but that the offer would be conditional on the approval by shareholders, of the acquisition by Lidstone of New Cavendish Estates, a property investment associate of Gresham House. Lidstone says that discussions are at an advanced stage.

At the same time Lidstone announced its interim results for the half year ended January 19 1980 showing an attributable loss of £58,512, after £92,403 provisions in respect of amounts owing from Gilmore and Partners, the collapsed Smithfield meat trader. This compares with profits of £7,327 in 1978-79.

The directors state that the group is continuing to trade profitably and this is expected to continue until the end of the year.

CAPARO GROUP/ L.K. INDUSTRIAL

CAPARO GROUP/LK INDUST

The offer by Caparo Group for L. K. Industrial has been accepted in respect of 218,761 ordinary shares (9.19 per cent). Caparo and its subsidiaries now owns 1,469,761 shares (61.72 per cent) and the offer has closed.

REVERTEX

Following the agreement on revised terms of Yule Catto's offer for Revertex Chemicals, a new offer document and form of acceptance will be despatched soon. Acceptances in respect of the previous offer will be returned together with documents of title. Shareholders of Revertex are advised to take no action until they have received the new document.

HAWLEY/CHERRY

Following its agreement for the acquisition of Cherry Leisure (UK), Hawley Leisure has issued 1,058,201 ordinary shares to the vendors.

July 24	Price %	+ or –
Banco Bilbao	228	+2
Banco Central	248	
Banco Exterior	210	
Banco Hispano	224	
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	278	
Banco Urquijo	136	–3
Banco Vizcaya	238	
Banco Zaragoza	211	–2
Dragados	88	+2
Espanola Zinc	59	
Fecsa	60.5	–0.2
Gal. Preciados	25	+1
Hidrola	67.2	+1
Iberduero	61.2	
Petroleos	119.5	–2
Petroliber	87	
Sogefisa	107	
Telefonica	62.5	+0.2
Union Elect.	66.2	+0.6

APPOINTMENTS

Three new Board posts at Lead Industries

Sir Peter Matthews, Mr. John Bickers and Mr. Richard Oster have been appointed directors of LEAD INDUSTRIES GROUP. Sir Peter, chairman of Vickers, joins as a non-executive director. Mr. Bickers will continue as managing director of Goodlass Wall and Co., LIG's main UK paint subsidiary; and Mr. Oster remains president of A. J. Oster and Fry's Metals Inc., two of LIG's American subsidiaries.

*

Mr. John C. Charman has been appointed financial director of AUTONATIONAL AUTOMOTIVE COMPONENTS, Redditch, a member of the privately-owned Troy Group. He remains chief executive of Troy Components.

*

Mr. Howard O. Fraser has relinquished his position as deputy chairman of LETRASET to devote more time to his executive responsibilities as chairman of Stanley Gibbons International. He continues as a director of Letraset, and Mr. Robert F. Cahman has been appointed deputy chairman of that concern. Mr. William Fieldhouse, executive chairman of Letraset, and Mr. David R. Elder, a director of that company, are joining the Board of STANLEY GIBBONS INTERNATIONAL as non-executive directors.

*

Mr. Frederick W. Candwell has been appointed to the Board of HOPKINSONS as manufacturing director.

*

Mr. Peter Gregson has been appointed a deputy secretary in the DEPARTMENT OF TRADE responsible for civil aviation, shipping and marine matters from September 15. He will succeed Mr. John Steele who will move to the DEPARTMENT OF INDUSTRY where, following the retirement of Mr. Philip Ridley and Mr. Richard Bullock in the Autumn, the work of the Department will be reorganised to bring about the saving of one Deputy Secretary post.

*

Mr. Roy W. Weller oas been appointed to the Board of MAYWICK (HANNINGFIELD).

*

Mr. John A. Parton, at present hull underwriter, will be appointed assistant general manager and marine underwriter at GUARDIAN ROYAL EXCHANGE ASSURANCE from November 1. This follows the retirement at the end of October of Mr. R. V. Clarke, deputy general manager and underwriter.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The Bell Group of Australia announced that it would bid 85p cash per share for 25 per cent of Rolls-Royce subject to the latter's merger with Vickers not going through, but R-R came out against the Bell offer because it sees no advantages for its shareholders or employees.

The Kuwait Investment Office won control of Proprietors of Hay's Wharf; after its increased offer of 250p per share had been rejected, the KIO bought enough shares in the market to take its stake in the shipping and property group to 50.5 per cent.

Thomas Tilling continued its rapid expansion in the U.S. by paying £2.2m for Groggon, a private company which distributes wire fencing and allied products.

In the series of increasingly common "dawn raids" in the Stock Exchange, Brooke Bond Liebig purchased 20 per cent of the shares of timber concern Mallinson-Denny for around £12m, while Sarwest Investment acquired a 29.5 per cent holding in housebuilders Gough Cooper, and National Carbonising yesterday increased its stake in Petrocon to 29.9 per cent.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Barget	12*‡	24	18	0.17	Tinnox	—
Bio-Kil	150*	142	100††	1.50	Laporte	—
Christy Bros.	30*	38	33	0.60	Simon & Coates	—
Corn Exchange	53½	50	47	11.90	British Land	—
Cnty. & Dist. Prps.	109*	180	195	16.35	Costain	—
Cray Elect.	31*§	36	34	0.93	Thrgmrtn. Tst.	—
Doloi Tea	270*	275	275	0.28	Tategold	—
Hay's Wharf¶¶	240*	244	272	34.72	Kuwait Inv. Office	—
Hensher	102*	103	78	1.63	Tebbitt	—
Hensher "A"	99*	106	75	3.17	Tebbitt	—
Lidstone	280*	360	290	0.51	Greewalk Nominees	—
L. K. Industrial Invs.¶¶	16½*	21	16	0.20	Caparo Invs.	—
Manson Trust	38*	43	33	3.84	Hong Leong Finance	—
Mackinnon Scot.	48½†	47½	25½	1.16	Dawson	—
Marshall Cvndish.	31*	28½	27	4.60	Times Publshg. Berhad	—
McCleery L'Amie	19§§	17½	17	2.44	Lamont	—
Nationwide Leisure	6*‡	7	9	0.66	Rantlodge	—
Revertex	50*	44	44	5.02	Yule Catto	—
Rolls-Royce	67½	65	56	39.89	Vickers	8/8
RTD	5½*	12	8½	0.12	Simon and Coates	—
Selection Trust	£12½†	£12½	£12½	405.2	BP	—
Stanhope Gnl. Inv.	200*	192	170	2.56	Dares Estates	—
UK Props.	52	51	47½	21.81	British Land	—
Unicorn Inds.	135ŧ	125	121	39.42	Foseco Minsep	—
Wolf Electric	117	120	62	15.09	Dobson Park	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 25/7/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ŧ Ordinary share alternative.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Albion	Mar.	154	(353)	0.6	(1.0)
Allied Textile	Mar.	1,270	(1,500)	2.82	(2.82)
Automated Sec.	May	878	(620)	1.0	(0.77)
Bootham Engns.	Apr.	228	(317)	5.5	(5.5)
Bullough	Apr	2,420	(2,780)	4.2	(4.2)
Dares Estates	June	75	(164)	0.5	(0.45)
Dewhurst & Prtnr.	Mar.	88L	(173)	—	(0.32)
Drake & Scull	Apr.	804	(1,300)	1.25	(1.25)
Enrotherm Intl.	Apr.	930	(1,150)	1.5	(1.5)
Hawley Leisure	June	501	(173)	0.6	(0.3)
Horne Brothers	Mar.	240	(158)	—	(—)
Jacobs (J. I.)	June	745	(653)	0.7	(0.6)
Lambert Howarth	June	283L	(196)	1.15	(1.15)
Lovell (Y. J.)	Mar.	939	(815)	2.0	(1.75)
Lowe (Robt. H.)	May	303	(231)	0.57	(0.67)
Meggitt Hldgs.	Apr.	90	(152)	0.42	(0.42)
Tace	Mar.	285	(265)	0.85	(0.85)
York Trailer	June	495L	(303)	—	(1.38)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aero & Gen. Tst.	Mar.	501	(338)	28.7	(15.8)	3.5	(2.8)
Amal. Distilled	Mar.	137	(113)	1.5	(3.3)	1.0	(0.75)
Arlington Motor	Mar.	1,450	(1,320)	21.3	(23.9)	9.0	(9.0)
Astra Ind.	Apr.	471	(1,040)	2.4	(5.1)	0.79	(0.78)
British Land	Mar.	3,910	(3,360)	8.1	(7.1)	0.25	(—)
Cawdaw Indstl.	Mar.	125L	(400)	—	(6.5)	—	(2.57)
Cawoods	Mar.	13,400	(9,450)	21.2	(11.7)	3.5	(2.77)
Crown House	Mar.	4,552	(4,053)	11.7	(12.3)	5.25	(4.5)
Davy Corporation	Mar.	15,940	(26,130)	12.5	(22.7)	8.7	(6.7)
Dowty Group	Mar.	27,900	(31,180)	25.7	(17.5)	4.5	(3.75)
Eucalyptus Mills	Dec.	3,820	(803)	54.8	(14.5)	5.25	(4.25)
Fairdale Textile	Jan.	474	(604)	2.9	(5.8)	1.5	(1.5)
Gordon and Gotch	Mar.	1,230	(833)	13.8	(8.5)	7.5	(5.9)
Hogg Robinson	Mar.	8,520	(9,210)	11.9	(13.0)	5.7	(4.94)
Hopkinsons Hldgs.	Feb.	1,570	(2,300)	8.5	(19.2)	5.65	(5.65)
Initial Services	Mar.	16,060	(11,900)	21.0	(17.2)	7.5	(5.5)
Investment Co.	Mar.	386	(367)	3.7	(3.4)	1.58	(1.5)
Jalel	Dec.	62L	(72)L	—	(—)	4.0	(4.0)
Laurence Scott	Mar.	1,870L	(1,346)L	—	(—)	0.1	(2.0)
London Inv.	Mar.	410	(11)L	1.1	(—)	0.35	(—)
McLeod (Russel)	Mar.	4,480	(4,180)	14.9	(13.3)	15.0	(13.5)
MFI Furniture	May	16,770	(13,979)	9.5	(8.1)	2.62	(1.87)
Mining Supplies	Apr.	3,310	(2,270)	8.2	(6.9)	2.0	(1.0)
Neepsend	Mar.	1,310	(1,275)	5.8	(9.3)	3.32	(3.22)
Negretti & Zamb.	Mar.	408L	(107)	—	(3.0)	—	(1.93)
Preedy (A.)	Mar.	871	(1,240)	8.8	(13.7)	3.35	(3.35)
Priest (Benjamin)	Mar.	3,180	(2,620)	13.6	(17.7)	6.79	(6.09)
Rosebaugh	June	3,040	(1,670)	37.5	(57.5)	2.1	(0.38)
Scottish & Merc.	Mar.	395	(455)	5.3	(5.4)	5.2	(4.75)
Sekers Intl.	Mar.	401	(472)	4.1	(6.8)	2.3	(2.1)
Sheffield Rfrsmnt.	Mar.	251	(220)	6.6	(6.4)	2.52	(2.29)
Siebe Gorman	Apr.	4,710	(3,570)	30.8	(28.3)	7.26	(5.41)
Steinberg Group	Mar.	558	(854)	2.4	(5.2)	1.1	(1.1)
Stroud Riley	Mar.	62L	(406)	—	(6.3)	0.5	(1.5)
Wheelers Rstrnts.	Mar.	359	(757)	12.7	(29.8)	5.88	(5.88)
Wintrust	Mar.	1,520	(1,240)	9.5	(9.3)	2.92	(2.9)
Wood (S. W.) Grp.	Mar.	602	(457)	5.8	(4.7)	5.2	(4.6)

Rights Issues

Mercantile House: Rights issue on the basis of one for five at 220p to raise £2.5m.†

† Approximate figure before expenses.

WORLD STOCK MARKETS

Wall St. active but lower

SOME MAJOR Oils led Wall Street lower in fairly heavy trading yesterday, but analysts were little worried about the apparent market consolidation.

By midday the Dow Jones Industrial Average was down around 6 points to 920, making a net loss of around 4 points on the week. The NYSE All Common Index shed 45 cents to $69.23, for a fall of 61 cents on the week, while declines led advances by a two-to-one margin. Trading volume was over 23m shares.

The market moved lower from the opening with the NYSE tape running up to five minutes late during the first 45 minutes of trading.

Analysts blamed several factors for the opening rush, including a published report that a *Stock Market* bull had turned cautious. Also, the Market views the Federal Reserve policy on interest rates as "somewhat murky," adding to uncertainties, one analyst said.

The General Motors $400m second-quarter loss reported after the New York Market closed Thursday also contributed to the early decline, analysts said. GM were off $½ at $49½.

Going against the market trend, National Semiconductor moved up $1¾ to $29¾.

Texaco led the active list, slipping $1¼ to $38 after reporting second-quarter earnings. Analysts blamed profit-taking for the Texaco decline, and also the $1¼ fall to $173¼ of Standard Oil of California and the $1 decline of Mobil to $77¾.

Canada

Markets turned broadly lower in active trading by midday yesterday, when the Toronto Composite Index shed 4.8 to 2,199.8 and 11 of 14 indices retreated.

The Metals and Minerals Index gave way 20.2 to 2070.1, Oil and Gas 3.9 to 5111.5, Banks 2.70 to 373.94, Utilities 1.0 to 257.92 and Papers 0.59 to 143.15. But Golds moved up 113.2 to 492.4.

Gold issues had widespread gains. **Dome Mines** climbed $4 to $125, **Camflo Mines** $1½ to $31½, **Campbell Red Lakes** $1½ to $58½ and **Sigma Mines** $1 to $41.

Oil and Gas issues were actively mixed. **Texaco Canada** rose $4 to $124 and **Dome Petroleum** $1 to $92.

Falconbridge Nickel dropped $3 to $121 and **Inco** $⅜ to $25⅜.

An industrial dispute at Reuters caused certain omissions in prices and indices on this page.

Germany

Banks led Equities lower in light turnover as the Commerzbank Index fell 4.6 to 739.00.

Dresdner Bank led the market down, shedding DM 6.6 to 196—the decline came as the market assessed further its interim report, which suggested but did not explicitly state that operating income fell by about 35 per cent.

In otherwise easier Chemicals, Bayer went against the market, rising to DM 116.1.

Engineerings were easier, with Linde down DM 1.50 and **KHD** off DM 2.50.

In the Motor sector, **Daimler** shed DM 2.5, **VW** DM 3.3 and **BMW** DM 1.8.

In Options Trading, prices and volume fell as interest centred on Calls of **Thyssen, Hoesch** and **BASF** and Puts of **Philips**.

Any disappointment in Thursday's Bundesbank Central Council meeting which equities showed was undetected in the Bond Market. Yields of 7.75 per cent were reached for some Public Authority issues and prices in general rose more than DM 0.50. The Bundesbank sold DM 32.6m of stock into the rise, after sales of DM 5.5m Thursday.

Mark Eurobonds were firm.

Tokyo

Higher in moderate trading, led by Coals, Chemicals and "high-priced" Electricals, on fresh buying although there were no particular factors. Volume of 260m (270m) shares.

Matsushita Electric rose Y7 to Y691 on active buying by institutional investors. **TDK Electronics** were up Y40 to Y2,370 and **Sharp** Y11 to Y554.

Mitsui Metal rose Y3 to Y170 following Stock Exchange action to ease margin trading requirements on its shares yesterday.

Recently-neglected Coals improved on "cheap" buying with **Nittetsu Mining** up Y33 to Y646, **Mitsui Mining** Y12 to Y672 and **Sumitomo Coal** Y11 to Y292.

Johannesburg

Gold shares rose sharply in fairly active trading following the firmer bullion price.

Gains stretched to 400 cents as in **P. Steyn** at 5,650 cents, while **Western Deep** rose 150 cents to 6,625 cents.

Mining Financials were mixed as were Platinums.

Industrials were firmer, with **Sepchem** up 20 cents to 860 on its expansion plans.

Hong Kong

Stock prices closed sharply higher in very active late trading on strong local speculative buying although late two-way trading limited the day's advances.

The Hang Seng Index closed 16.73 up at a new seven-year high of 1,147.10 as investors switched to leaders after initial gains led by second liners.

Dealers said business was hectic on heavy turnover aided by news of the latest cut in U.S. Prime Rate. The heavy buying was essentially speculative although dealers also noted strong buying support from local individual and institutional interests encouraged by general investor confidence in the market.

Among leaders **Hongkong Wharf** rose HK$1.50 to HK$74.50 and **Jardine Matheson** 30 cents to HK$22.30.

Among other leaders **Hongkong Bank** were up 30 cents to HK$17.90, **HK Land** 20 cents to HK$15.00, **HK Electric** 15 cents to HK$6.95 and **Swire Pacific "A"** 10 cents to HK$8.95.

Jardine loan stock 7.5 per cent advanced HK$4 to HK$110, **Mai Hon** 20 cents to HK$8.10, **SHK Properties** 40 cents to HK$15.20 and **Hang Seng Bank** HK$1 to HK$143.

Amsterdam

Industrials moved higher but Mines and Explorers were mixed in very subdued trading.

BHP lost 45 cents to $A14.6 on less than expected profits.

In a mixed Oil and Gas sector, **Magellan** fell 60 cents to $A5.30 and **Strata** lost 27 cents to $A2.45.

Elsewhere, another drop in U.S. Prime Rates lifted a selection of Speculative Gold issues, but Major Producers tended to drift with the rest of the major Mining sector.

Tin Producer **Renison** rose $A2 to $A22, responding to record profit, a higher dividend and a bonus issue, while the parent *Consolidated Gold* were steady at $A8.

Alkane Exploration put on 14 cents to $A1.

Mount Lyell 16 cents to A$2 on a profit rise to $A5.35m from A$428,000.

Paris

Share prices tended mostly firmer in moderate trading apparently unaffected by Base Rate cuts by two French banks and news that June saw slower French Retail Price growth.

Bankings and Insurances, Foods and Electricals led the trend with **Radiotechnique** gaining FFr 9 to FFr 320.

Machines Bull, whose Cii-Honeywell Bull subsidiary anounced a swing into loss in the first half of 1980, slipped 40 cents to FFr 56.5.

Oils led the weaker sectors, with **Elf-Aquitaine** shedding FFr 20 to FFr 1,245 and **Esso** falling FFr 3.8 to FFr 293.3.

Motors also fell, **Peugeot** falling FFr 3.7 to FFr 293.3.

Stores and Chemicals were mixed. **La Redoute** held unchanged—it forecast 15 per cent group profit and turnover growth for 1980-81.

Among *Foreign* stocks, Gold Mines firmed, Americans, Canadians and Oils were mixed and the remainder eased.

Indices

NEW YORK —DOW JONES

	July 24	July 23	July 22	July 21	July 18	July 17	1980 High	1980 Low	Since Compil'tn High	Since Compil'tn Low
♦ Industr'ls	929.11	926.58	927.30	928.67	923.98	918.10	928.67 (21/7)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	72.83	73.10	73.35	73.54	73.25	73.06	78.91 (26/9)	63.87 (28/3)	—	—
Transport	308.56	309.71	312.53	313.43	308.60	303.05	313.43 (21/7)	233.89 (27/3)	313.43 (21/7/80)	12.23 (8/7/32)
Utilities	116.36	113.47	114.28	114.17	114.28	114.69	116.88 (18/7)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	42,420	46,880	52,230	42,750	58,040	48,050	—	—	—	—

Day's high 933.79 low 912.97

Ind. div. yield %	July 18	July 11	July 4	Year ago (approx
	5.72	5.93	5.94	5.83

STANDARD AND POORS

	July 24	July 23	July 22	July 21	July 18	July 17	1980 High	1980 Low	Since Compil'tn High	Since Compil'tn Low
‡Indust'ls	137.80	137.83	138.07	138.40	137.88	137.86	138.40 (21/7)	111.09 (27/3)	138.40 (21/7/80)	3.52 (30/6/32)
§Composite	121.79	121.90	122.19	122.31	122.04	121.44	122.31 (21/7)	98.22 (13/3)	125.85 (11/1/73)	4.40 (1/6/32)

	July 16	July 9	July 2	Year ago (approx
Ind. div. yield %	4.88	4.97	5.07	5.38
Ind. P/E Ratio	8.09	7.80	7.28	7.87
Long Gov. Bond Yield	10.08	10.11	10.13	8.92

N.Y.S.E. ALL COMMON

July 24	July 23	July 22	July 21	1980 High	1980 Low
69.68	69.76	69.94	70.10	70.10 (21/7)	56.30 (27/3)

Rises and Falls	July 24	July 23	July 22
Issues Traded	(u)	1919	1,716
Rises	"	639	749
Falls	"	875	758
Unchanged	"	398	396
New Highs	"	67	157
New Lows	"	6	3

MONTREAL

	July 24	July 23	July 22	July 21	1980 High	1980 Low
Industrial	409.57	390.07	394.80	395.84	425.80 (29/9)	325.21 (27/3)
Combined	399.43	368.38	384.17	384.36	378.98 (28/2)	298.80 (27/3)
TORONTO Composite	2204.5	2136.8	2179.0	2170.9	2204.0 (24/7)	1702.6 (27/3)

World indices

	July 25	July 24	July 23	July 22	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	914.2	917.41	911.53	914.86	947.17 (14/2)	760.00 (2/1)
Metals & Mins (1/1/80)	5779.6	5762.94	5673.30	5693.66	6680.95 (14/2)	4581.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	97.15	67.15	67.07	67.05	68.40 (7/1)	66.85 (25/6)
BELGIUM						
Belgian SE (31/12/63)	94.54	94.28	94.30	(c)	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	94.78	94.73	94.28	93.84	98.74 (2/1)	74.78 (5/3)
FRANCE						
CAC General (29/12/61)	108.3	108.3	107.7	106.9	117.6 (22/2)	97.1 (3/1)
Ind Tendance (28/12/79)	111.4	111.4	110.1	109.6	111.4 (24/7)	95.80 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	235.73	236.73	235.50	235.58	239.82 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	739.0	743.6	742.7	745.3	746.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	88.0	87.0	87.4	87.0	88.0 (25/7)	74.8 (27/3)
ANP-CBS Indust. (1970)	67.0	68.4	66.3	66.1	68.2 (11/1)	65.2 (25/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1147.1	1130.37	1123.07	(c)	1147.1 (25/7)	738.3 (19/3)
ITALY						
Banca Comm. Ital (1972)	108.12	107.04	107.28	105.94	108.19 (25/7)	55.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6910.6	6795.98	6857.47	6836.10	6904.81 (25/4)	6475.83 (27/3)
Tokyo New SE (4/1/68)	468.8	468.30	469.76	470.37	473.55 (25/6)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	125.76	125.75	126.80	126.65	144.79 (14/2)	118.12 (28/3)
SINGAPORE						
Straits Times (1966)	576.18	571.57	574.66	568.74	576.18 (25/7)	423.76 (6/1)
SOUTH AFRICA						
Gold (1958)	—	(u)	754.8	746.2	784.0 (23/7)	648.5 (15/5)
Industrial (1958)	—	(u)	370.7	364.8	370.7 (25/7)	456.0 (29/1)
SPAIN						
Madrid SE (28/12/79)	103.9	103.90	103.64	103.40	105.90 (24/7)	98.79 (16/5)
SWEDEN						
Jacobson & P. (1/1/58)	673.4	673.45	674.37	575.48	589.98 (8/2)	354.72 (17/1)
SWITZERLAND						
Swiss Bank Co. (31/12/58)	310.1	307.2	309.4	308.0	317.8 (11/2)	276.0 (26/3)
WORLD						
Capital Intl. (1/1/70)	—	148.0	148.0	148.4	148.6 (21/7)	126.5 (27/3)

Base value of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
City Investing	656,800	24⅝	−¼
Texaco	558,800	39⅛	−¼
Pullman	491,400	32¾	−½
Applied Digital	484,400	12	—
Engelhard	464,400	40⅞	+1½
General Motors	461,600	50⅛	−¼
Mobil	402,400	79	−⅞
IBM	397,300	64⅞	—
Gulf Oil	364,000	44⅛	+⅛
Bankamerica	358,500	25⅛	−⅛

INTERNATIONAL COMPANIES and FINANCE

Industrial disputes curb profits growth at BHP

BY JAMES FORTH IN SYDNEY

BROKEN HILL Proprietary, Australia's largest company, increased its group profit by 14.6 per cent to A$208.75 (US$245m) for the year to May 31, from the previous year's A$181m. This is a record for an Australian company despite being struck on the basis of accounting partly for the effects of inflation.

On an historical cost accounting basis the profit rose by 21.7 per cent from A$329.8m to A$401.5m. The result would have been higher but for industrial disputes in BHP's coal and minerals division in the second half. In the first six months BHP boosted its profit by 65 per cent, from A$89.5m. Annual sales for the group rose by 33 per cent from A$2.8bn to A$3.7bn (US$4.3bn).

The group result was declared after a fixed asset utilisation charge of A$345m, compared with A$294.4m in 1978-79. Included in this was a charge of A$184.5m for fixed asset value adjustment (FAVA) — BHP's allowance for inflation—compared with A$141m in the previous year.

The FAVA charge was based on an inflation rate of 13.2 per cent per annum, compared with 9.9 per cent in the previous year. When reporting at the halfway mark, directors had expected to maintain the rate of profit increase, but the industrial disputes resulted in severe disruption to operations and significant loss of production.

On BHP's reporting method the steel division—BHP is the only steel producer in the country—incurred a loss of A$32.3m in 1978-79. BHP has reported losses from steel for five of the past six years.

In contrast, the declared profit of the oil and gas division rose from A$123m to A$200m, mainly in reflection of higher prices for oil and liquefied petroleum gas. The group's manufacturing divisions also improved, but earnings fell for the minerals division again, with industrial disputes, and the effects of several cyclones on the Mount Newman iron ore operations in the Pilbara region of Western Australia.

The group result was also reached after an increase in tax from A$218m to A$290.7m. The tax rate represented an effective rate of 57 per cent, compared with 54 per cent last year and with the statutory company tax rate of 46 per cent. The higher tax reflects the fact that BHP's FAVA is higher than the allowable tax depreciation. The latest result was also affected by the removal of the trading stock valuation adjustment allowance.

The declared profit of the minerals division dipped from A$15.5m to A$6.2m and "other" profits, largely those in the manufacturing activities, rose from A$17.85m to A$32.15m. On an historical cost basis, the steel division earned a profit of A$96.6m before FAVA, but this was well below the previous result of A$127.6m. Reflecting the fact that the bulk of the group's assets are in the steel operations, the FAVA charge took A$122.4m compared with A$95.3m last year, while FAVA for the oil and gas division was A$19.95m, compared with A$15.8m in 1978-79.

Profits at the sheet steel fabrications group, John Lysaght, were A$4.3m after FAVA of A$5.1m. BHP acquired in the year the remaining 50 per cent of Lysaght from Guest Keen and Nettlefold of the UK.

The declared result equalled earnings on year-end capital (increased during the year by a rights issue) of 71 cents a share, compared with 68 cents in 1978-79. The dividend was earlier raised from 32.5 cents to 37 cents a share for a payout of A$101m, compared with A$79m.

Study of energy sale at City Investing

By Carla Rapoport in New York

CITY INVESTING, a U.S. conglomerate with extensive holdings in Europe, has confirmed that it is considering selling its oil and gas interests, which include a holding in the Buchan Field of the North Sea.

A plan to reduce corporate debt has been undertaken by City Investing in the wake of its rejection of a $1.1bn takeover offer by Tamco. City Investing has identified assets with a book value of about $200m which may be sold because they contribute little to earnings.

Mr. George Scharffenberger, chairman, said in a newspaper interview that the company had planned to dispose of the assets by the late 1980s, but instead plans to do so in the shortest possible time.

City Investing holds an interest in a sector of the Buchan Field which is scheduled to go into production this year. City shares its interest with British Petroleum, which is developing the property, and City would have received 14 per cent of the production once BP had recovered its costs.

Sharp second quarter gain by Shell Oil

By Our Financial Staff

SHELL OIL, which is 69 per cent owned by Royal Dutch-Shell, has turned in another sharp rise in profits for the second quarter.

After being 67 per cent ahead at the net level in the opening three months, Shell has increased profits by 47 per cent for the June quarter to leave the half year standing at $780m, against $501m for the first half of 1979.

Earnings were higher in both exploration and production and the oil products segments for the quarter and the six month periods. The major improvement came from exploration and production. Chemical earnings declined for the quarter due to the recession.

Revenues for the half year were $9.7bn compared with $6.5bn following a rise to $4.9bn from $3.4bn in the second quarter. In per share terms, earnings are $2.53 ($1.64) for the six months

Honeywell Bull dips into losses

BY TERRY DODSWORTH IN PARIS

CII HONEYWELL BULL, the French computer company, has dropped into losses this year only a short time after being taken over by Saint-Gobain-Pont-a-Mousson.

While the computer group stressed yesterday that it should be able to declare a profit for the full year, its first-half results show that its performance has slipped badly. A loss of FFr 66.9m ($16.7m), compares with a profit of FFr 39.6m a year ago.

Cii puts the main blame for this setback on component shortages which held back its manufacturing and delivery programme. Its order book increased, however, by 10.9 per cent in the half year to give a "slight" increase in the overall volume.

Despite the parts supply problems turnover rose to FFr 2.5bn, an increase of 12 per cent. About FFr 1.2bn of this came from equipment sales and FFr 1.3bn from rental and services.

It is thought that part of the components problem is that IBM, the U.S. computer group, has stepped up its parts buying following the launch of its new computer series. Cii takes its supplies from four sources, two in the U.S., one in Japan, and one in Europe. All have evidently been affected by increasing demand.

At the same time, the French company seems to have been hit by declining margins in a period when a number of products have come on to the market and manufacturers have been cutting prices.

Cii insists, however, that the second half of this year will be much better. During the second quarter the trend was towards a distinct improvement, with turnover up 24 per cent, compared with a drop in the first quarter.

Steps are also being taken to expand output to meet the high level of demand. About 200 workers are being added at its Belfort plant, and another 400 at Angers

JAPANESE RESULTS

Oil imports boost Mitsubishi sales

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

MITSUBISHI Corporation, Japan's largest general trading company, reports a 36.6 per cent rise to Y12,675bn ($56.6bn) in consolidated sales for the year ended March 31.

The rise was due largely to higher oil prices which boosted the value of sales by about Y2,000bn. Gross trading profits rose 25.7 per cent to Y291.5bn while net profit was up 77.4 per cent to Y42.05bn.

All three figures were records, but the heavy reliance on oil trade during the company's 1979-80 business year meant a decline in the ratio of trading profits to sales. The reason for this is that Mitsubishi, like other major trading companies, receives a commission based on the volume not value of oil it imports into Japan.

Oil imports, in common with other bulk raw material imports, represent a less profitable line of business for the company than domestic trade which declined in relation to overall turnover during 1979-80. The domestic trade ratio was 42.4 per cent compared with 47.2 per cent a year earlier while imports climbed from 24.5 per cent to 31.8 per cent of the company's total turnover. Oil and other fuels accounted for 22.8 per cent of total sales against 15.9 per cent in 1978-79.

The sharp increase in consolidated net profit was due in part to a Y5.4bn reduction in allocations for doubtful receivables. This was made possible by the improved financial standing of Mitsubishi's customers inside Japan, reflecting a healthy domestic economy. Equity earnings from non-consolidated subsidiaries and associated companies also helped to boost net profits.

Mitsubishi's consolidated results take in the figures of 48 subsidiaries on a "full line" basis and another 233 companies on an equity basis only.

The number of fully consolidated subsidiaries increased by seven last year due in part to some major oil industry acquisitions. The most important was MIC Petroleum Incorporated, a U.S. based company in which Mitsubishi is a joint-venture partner. A Japanese oil terminal and storage company and Fletcher Oil and Refining of the U.S. joined the list of companies consolidated on an equity basis only.

Mitsubishi forecasts a further increase in sales to about Y14,000bn for the parent company and Y14,700bn on a consolidated basis for the current year. The increase will once again reflect higher oil prices and may not be matched by a corresponding profit increase. Net profits should remain steady, the company says, if the yen stays at its current exchange rate of around Y220 to the dollar.

Mitsubishi plans a 40m share offer on the domestic Japanese market next month as part of its programme for diversifying its funding sources away from its sister company, Mitsubishi Bank.

"Second line" banks supplying funds to Mitsubishi Corporation—after the top ranking Mitsubishi Bank, Bank of Tokyo and Dai-ichi Kangyo Bank—are expected to play a larger part in financing the company's trading activities in future. This is because of a guideline imposed by the Finance Ministry on the permissible loan exposure of banks to individual corporate customers. Mitsubishi Bank's lending to Mitsubishi Corporation was reduced to conform to the guideline shortly before it came into force this spring.

JAPANESE CONSOLIDATED RESULTS FOR YEAR TO MARCH 31

Company	Business	Net profits 1980 Ybn	Net profits 1980 Ybn	Sales 1980 Ybn	Sales 1979 Ybn
Mitsubishi Corp.	Trading	42.05	23.70	12,670.00	9,270.00
Nissho-Iwai Co.	Trading	8.51	4.24	6,130.00	4,410.00
Sumitomo Corp.	Trading	25.50	9.56	7,690.00	5,930.00
Nippon Steel	Steel	113.67	48.90	3,000.00	2,520.00
Ishikawajima-Harima HI	Heavy indus. & shipbuild'g.	5.13	6.17	824.43	803.71
Mitsui OSK Lines	Shipping	4.33	2.74	447.49	343.14
Casio Computer	Electrical appliances	4.77	3.35	114.29	85.33
Fujitsu	Electrical appliances	17.66	14.64	599.44	553.24
Citizen Watch	Precision machinery	7.18	5.41	184.24	142.81
Toray Industries	Textiles	16.42	10.50	605.13	492.65

Poor U.S. performance hits Northern Telecom

BY OUR FINANCIAL STAFF

A SUBSTANTIAL setback in earnings in the second quarter is reported by Northern Telecom, the telecommunications equipment manufacturer 55 per cent-owned by Bell Canada, the country's largest telephone company.

Total net profits slumped from C$31.3m (U.S.$27m) to only C$718,000. Per share earnings fell from C$1.06 to two cents (Canadian). Sales, however, edged forward from C$530m to C$560.6m.

The company said the sharp decrease in second quarter results was due to several factors, including poorer than expected performance in the U.S.

The U.S. results plus the fact that some product sales were lower than others has led the new management team of the U.S. operation to recommend increases in the provision for obsolete and excess inventories, tax adjustments and various other items.

Northern Telecom said an important factor affecting quarterly results was the previously announced decision to change the lease/sales practice of its electronic office systems subsidiary, Northern Telecom Systems (NTS).

Problems and costs of integrating and restructuring the computer operations acquired in 1978, Sycor and Data 100, into NTS have continued.

Profit problems at NTS "are not yet behind us," the company said.

Aetna Life held back by competition and inflation

BY IAN HARGREAVES IN NEW YORK

AETNA LIFE and Casualty, the large U.S. insurance company, yesterday reported net profits 15 per cent lower than a year ago in what the company said was its most difficult trading quarter for several years.

Caught between the pressures of rising claims' costs stoked by inflation, fierce competition on premiums as recession slowed life insurance sales, and a reduction in the flow of cash from pension funds as institutions took advantage of record money market interest rates, Aetna was under attack in most areas of recent profits growth.

Net income for the quarter was $133m after a realised capital loss of $4.8m. This compared with net of $158m after a realised capital gain of $5m in the same quarter last year.

Revenue advanced in the quarter from $2.9bn to $3.3bn.

For the half year, Aetna earned $261m on revenue of $6.7bn compared with $282m on sales of $5.5bn.

BRITISH COMMODITY MARKETS

Copper price rise continues

BY OUR COMMODITIES STAFF

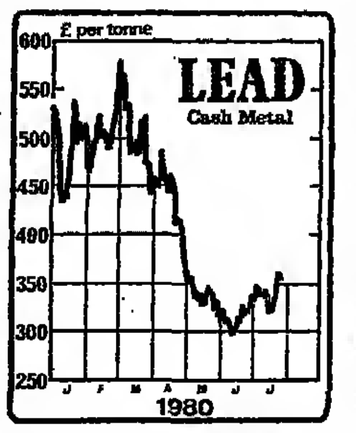
COPPER LED a general rise in base metal prices on the London Metal Exchange this week. Concern over the effects of the U.S. copper workers' strike, which seems destined to last for some time yet, continued to be a strong background influence against which the renewed firmness of gold and news of American interest rate cuts were able to push copper prices to their highest levels since mid-April.

Cash copper wirebars fell £7 yesterday to £943.5m a tonne, but this still represented a rise of £35.25 on the week.

Producers were warned not to be too optimistic about price prospects, however. At the beginning of a meeting of a Intergovernmental Council of Copper Exporting Countries (Cipec) in Lusaka Mr. Kenneth Kaunda, the Zambian president, said the underlying "bearish" conditions in the world copper market could be expected to continue for some time in view of the deepening recession in industrialised countries.

The copper price rise encouraged a further rise in the tin market which lifted cash standard metal to £7,297.5 a tonne at one stage. Concern over the political and industrial situation in Bolivia following the coup there was also partly responsible for the rise. The advance was not sustained, however. By last night's close cash standard tin was quoted £25 down on the week at £7,155 a tonne. Expectations of a rise in LME warehouse stocks encouraged the decline, dealers said.

The copper rise was the main factor behind the £5.5 rise in the cash zinc price to £297.5 a tonne. It also influenced the lead market but here added impetus was given by a rise in the U.S. producer price. Cash lead ended the week £27.5 higher at £355 a tonne.



A report published this week forecast that lead prices will move significantly higher by late summer. Inter Commodities, a London commission house, said the current price was well below the £380 a tonne many smelters claim they need to break even. "Charts show the metal is in an area of long term support," the report said.

Soft (non-metal) commodity prices generally finished lower after a relatively quiet week.

There was some good news, however, for supporters of commodity price stabilisation agreements. Hopes that producers and consumers will be able to agree on a formula to revive the International Cocoa Agreement were given a boost when the EEC Council of Foreign Ministers decided the community should take part in preliminary talks next week.

The pact expired at the end of March following the failure of producers and consumers to agree on the price range to be aimed at despite protracted discussions. Since then prices have fallen by nearly a quarter and producers are understood to be rethinking their earlier attitude.

Prospects for a further sharp decline in cocoa prices were highlighted in a report published by London merchants Patterson, Simons and Ewart this week. This said some manufacturers thought the price would have to fall to around £800 a tonne from the current £1,050 level before any recovery in consumption was stimulated.

The other good news on commodity pacts concerned the International Sugar Agreement—and once again the Common Market was the source.

The EEC Commission said this week it would seek a mandate from member states to examine the possibilities of joining the pact.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/819	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1,770/1,790	—	$1,525/40	$2150/2280	$1635/69
Antimony					
Free Market 99.6%	$3,250/3,300	—	$2,950/3,050	$5,435	$3200/3300
Copper Cash Wire Bars	£943.5	+35.25	£812	£1,572	£836
3 months Do. Do.	£957.5	+28.25	£829.75	£1,576.5	£855.5
Cash Cathodes	£910.5	+28	£792	£1,519	£808
3 months Do	£953.5	+28	£812.5	£1,543.5	£832
Gold per oz	$650.5	+49	$305.875	$835	$475
Lead cash §	£355	+27.5	£514	£579	£299.5
3 months §	£364.5	+29	£507.5	£4715	£308.75
Nickel	£3,248.36	—	£3,225.4	£3,477	£3,195.78
Free Market c.i.f. lb.	285/310c	—	$285/275c	315/345	265/295c
Platinum per oz	£182.50	—	£155.5	£195	£182.50
Free Market per oz.	£277.15	+18.95	£175.25	£466.5	£230
Quicksilver (76lbs.)	$395/405	—5	$275/295	$405/415	$370/380
Silver per oz	694.70p	+47.9	409.10p	1,165.05p	457.80p
3 months per oz	719.40p	+46.75	420.40p	1,185.05p	483.3p
Tin cash	£7,155	—25	£6,427.5	£8,350	£7,040
3 months	£7,187.5	+45	£6,492.5	£8,385	£7,115
Tungsten Ind	$142.65	—	$143.12	$144.50	$137.75
Wolfram (22.04 lb)	$145/149	+1	$134/140	$147/151	$128.50/134
Zinc cash	£297.5	+5.5	£299	£400	£282
3 months	£309.25	+5.75	£309.25	£415.5	£292.25
Producers	$760	—	$845	$825	$780
GRAINS					
Barley					
Home Futures	£94.60	—0.95	£91.95	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer).	‡	—	£106.6	£119	£115
WHEAT					
No. 1 Red Spring	‡	—	£94.85	‡	‡
Am. Hard Winter	£97½	—	£96.65	£105	£91.0
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£3,750w	—	£5,850	£4,175	£3,750
Pepper, white	$2,200w	—	$2,725	$2,825	$2,200
" " black	$1,600w	—	$1,975	$2,025	$1,575
OILS					
Coconut (Philippines)	$670x	+2.5	$1,090	$925	$570
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£413	—	£395	$464	£368
Palm Malayan	$560y	—15	$664	$725	$505
SEEDS					
Copra (Philippines)	$450x	—	$730	610	$360
Soyabeans (U.S.)	‡	—	$321	$308	$260.5
OTHER COMMODITIES					
Cocoa Shipment	£1,079	—28	£1,442.5	£1,546	£1,077
F'ts 2nd pos.	£1,035	—29	£1,347.5	£1,513.6	£1,036.5
Coffee Futures Sept	£1,285	—36.5	£1,575	£1,784.5	£1,302
Cotton Index	89.85c	—1.55	77.65c	98.40c	85c
Des. Coconut	£710	—	£720	£740	£700
Jute LJ ABW C grade	£206w	—	£265	£225	£206
Rubber kilo	56.50p	+0.50	57p	90p	55.50p
Sago Pearl	£205	—	£195	£215	£204
Sisal No. 3 L	$840	—	$850/75	$885	$640
Sugar (Raw)	£271	+2	£192	£322	£164
Tapioca No. 1	£207w	—	£188	£221	£208
Tea (quality) kilo	150p	—	134p	150p	138p
" (plain) kilo	70p	—	50p	75p	55p
Wooltops 64s Warp	288p kilo	—2	262p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (y) Sept. (l) Aug. (w) July/Aug.

MARKET REPORTS

BASE METALS

COPPER—Easier on the London Metal Exchange. After opening on a strong note in the wake of the rise in overnight American markets forward metal came under pressure from end-week profit-taking and short selling, which pared the price to around £966 for most of the morning. In the afternoon renewed profit-taking and nervous liquidation caused a further setback with forward metal finally quoted on the late kerb at £953, after £954. Turnover in Rings 18,450 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	943.5-5	+4.25	943-4	—7
3 months	957.5-8.9	+.9	957-8	—3.75
Settlem't	955	+9	—	
Cathodes				
Cash			910-1	—8.5
3 months	922-3	.....	933-4	—9.5
Settlem't	945-8	+.5		.....
U.S. Prod	985	.....	*100-106	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £954, three months £967, 66, 67.5, 68, 67.5, 68. Cathodes, cash £922. Afternoon: Wirebars, three months £963, 63.5, 57, 55, 55, 56, 57, 58, 57, 58. Cathodes, three months £934. Kerb: Wirebars, three months £958, 56, 57, 58, 57, 56, 55, 56, 57.

TIN—Lost ground on hedge selling and forecasts of a rise in stocks which widened the backwardation to £30. Three months traded at £7,220 on the early pre-market but came under pressure during the rings when it fell to £7,170 following the hedge selling. In the afternoon the market edged up to £7,200, at which level it closed the late kerb. Turnover in Rings 500 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7140-50	—82.5	7150-60	—36
3 months	7140-50	—72.5	7180-95	—27.5
Settlem't	7150	—80	.....	
Standard				
Cash	7140-50	—82.5	7150-60	—36
3 months	7160-70	—52.5	7180-95	—27.5
Settlem't	7150	—80	—	.....
Straits. E.	$19167	+11	—	.....
New York	—		—	.....

Morning: Standard, cash £7,140, three months £7,215, 7,190, 80, 70. Afternoon: Standard, three months £7,180, 90. Kerb: Standard, three months £7,200.

LEAD—Marginally easier. After falling to £361 on the pre-market on profit-taking, three months metal staged a good rally on fresh buying demand which took the price up to the day's high of £369.5 on the late kerb. Turnover in Rings 8,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	352-3	—8.25	354-6	—2
3 months	352-3	—9.25	364-5	—3.25
S'ment	353	—8	.....	.....
U.S. Spot	—	.....	*34-6	.....

Morning: Cash £355, three months £365, 66, 65, 64, 63. Afternoon: Three months £361, 62, 63, 64, 65, 66, 65, 64.5, 65, 63.5, 64.5. Kerb: Three months £365, 66, 68, 67, 69, 70, 69.5, 69, 70.

ZINC—Little changed in quiet trading which saw forward metal drift from £313 on the early pre-market to close the late kerb at £309. Turnover in Rings 9,750 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	300-1	—1.25	297-8	—5.5
3 months	312.5-3	—.75	309-.5	—4
S'ment	301	—1	.....	.....
Primw'ts	—	.....	*35.5	.....

Morning: Three months £313, 12, 12.5. Kerb: Three months £312, 11. Afternoon: Three months £311, 10, 309.5, 9, 9.5. Kerb: Three months £309.

ALUMINIUM—Gained ground on trade short covering and fresh speculative buying following forecasts of a sizeable fall in warehouse stocks. Forward metal opened around the £743 level and quickly moved up to touch £748 before reacting to profit-taking which pared the price to £738. However, renewed speculative interest prompted a fresh rally which lifted three months metal to £746 on the late kerb. Turnover in Rings 6,000 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	765-6	+5.5	772-5	+7
3 months	739-40	+19	745-7	+8.9

Morning: Three months £743, 44, 43, 42, 40, 39. Afternoon: Three months £738, 39, 38, 39, 40, 41, 42, 44, 45, 46. noon: Three months £311.5, 10, 309.5, 9, 45, 46, 47, 46, 45.5, 45.

NICKEL—Moved narrowly prior to closing the late kerb at £2,800. Warehouse stocks are expected to show a minor decline over the past week. Turnover in Rings 90 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2775-85	—7.5	2775-85	—2.5
3 months	2813-20	—6	2805-10	—19

Morning: Three months £2,815, 10. Afternoon: Three months £2,810, 2,800, 05. Kerb: Three months £2,800.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 18p an ounce higher for spot delivery in the London bullion market yesterday, at £6.947. U.S. equivalents of the fixing levels were: spot $16.650, up 47.7c; three-month $18.990, up 46.1c; six-month $17.382, up 44.5c; and 12-month $18.250, up 44.5c. The metal opened at £6.93-£7.01 ($19.60-$16.80) and closed at £6.90-£6.99 ($16.50-$18.70).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	694.70p	+19.	695.75p	+9.79
3 months	719.40p	+17.7	718.5p	+5.5
6 months	741.60p	+17.7	—	.....
12 months	785.00p	+17.7	—	.....

LME—Turnover 75 (124) lots of 10,000 ozs. Morning: Cash 696, three months 724, 23, 22, 21, 22, 23. Afternoon: Three months 720, 17, 18, 18.5. Kerbs: 719, 17, 18, 19.

COCOA

Following the decline of New York futures today dipped sharply and at the lows were £37 below Thursday evening levels. Producers declined to follow the downward move but consumers were quite active, both on a price fixing basis and for cocoa beans and products, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
July	1010-1015	—40.5	1016-1005
Sep	1035-1034	—39.5	1057-1030
Dec	1074-1076	—40.5	1080-1064
March	1118-1119	—35.0	1120-1106
May	1140-1141	—36.5	1140-1150
July	1159-1163	—36.5	1162-1155
Sept	1180-1183	—38.0	1180-1176

COFFEE

Once again the bearish trend in Robustas continued as new contract lows were established for the second consecutive day, reports Drexel Burnham Lambert. Further long liquidation and speculative selling contributed towards the early weakness before profit-taking provided support on a scale down basis in the afternoon.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1240-55	—7.0	1238-30
Sept	1285-87	—16.0	1300-59
Nov	1515-14	—5.0	1314-95
January	1326-30	+0.5	1558-17
March	1280-84	—18.0	1291-75
May	1285-90	—15.0	1292-52
July	1300-30	—19.5	—

Producer selling was well met by commission house buying and values fluctuated in a narrow range until the close when dealer buying lifted prices. Sales: 7,524 (8,698) lots of 5 tonnes.

ICS Indicator prices for July 24 (U.S. cents per pound). Other Mild Arabicas 152.50 (154.67). Robustas ICA 1976 145.00 (147.00). ICA 1968 145.25 (147.25). Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 172.17 (174.03).

GRAINS

LONDON GRAIN FUTURES—The market opened 5p-15p down. Wheat saw very quiet trading values easing on September to close unchanged to 25p lower. Barley closed about steady unchanged to 15p lower, reports Acli.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 87.70, E. Midlands 85.80, N. East 86.50, Scotland 90.00.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept.	95.50	—0.25	90.30	—0.15
Nov.	99.80	....	94.60	—0.10
Jan.	102.70	—0.10	98.50	....
Mar.	106.15	—0.20	101.75	—0.05
May.	109.60	....	105.05	....

Business done—Wheat: Sept. 95.50-95.50, Nov. 98.85-98.65, Jan. 102.70-102.65, March 106.10-106.10, May 109.60-109.50. Sales 65 lots of 100 tonnes. Barley: Sept. 90.35-90.15, Nov. 94.70-94.45, Jan. 98.50-98.30, March 101.80-101.70, May 105.05-104.90. Sales 203 lots of 100 tonnes.

RUBBER

The London physical market opened slightly steadier, with little physical interest throughout the day, closing on a quiet note. Lewis and Peat reported an fob price for No. 1 RSS in Kuala Lumpur of 292.5 (291) cents a kilo and SMR 20 at 264 (263) cents (August).

No. 1 R.S.S.	Previous Close	Yest'day Close	Business Done
Aug.	57.20-57.60	56.90-57.90	57.50-57.20
Sept.	58.90-59.20	58.40-58.80	58.90
Oct-Dec	61.20-61.40	60.50-60.60	61.40-60.80
Jan-Mar	64.90-65.00	64.30-64.40	65.20-64.60
Apr-Jne	67.90-68.00	67.20-67.30	68.30-67.70
Jly-Sept	70.70-71.00	70.00-70.10	71.00-70.80
Oct-Dec	75.10-75.30	72.40-72.90	79.60-75.00
Jan-Mar	75.90-75.70	74.90-75.00	
Apl-Jne	78.20-75.50	77.80-78.80	78.50-77.80

Physical closing prices (buyer) were: Spot 56.50p (55.75p); Sept. 61.75p (91.50p); Oct. 62.00.

SOYABEAN MEAL

The London market opened with losses of £2.00-£2.50, reports T. G. Roddick. Mixed selling put additional pressure on the market during the afternoon session and prices closed in active trading at opening levels.

Sales: 237 (252) lots of 5 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £271.00 (£268.00) a tonne cif for July-Aug.-Sept. shipments. White sugar daily price was £309.00 (£307.00).

Although prices were initially offered some £3 below kerb levels the lows were short-lived. The market then held steady until the afternoon when higher New York levels stimulated arbitrage buying and gains of some £6 were recorded before profit-taking pared them somewhat at the close, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug.	282.00-84.00	271.00-73.00	—
Oct.	306.00-07.00	296.05-96.20	308.50-286.5
Jan.	319.00-20.00	308.00-09.00	321.50-08.00
Mch.	327.00-27.20	318.00-18.50	329.50-16.00
May.	325.20-25.70	313.25-13.40	326.00-15.50
Aug.	318.00-19.00	307.00-07.25	320.00-08.00
Oct.	310.00-14.00	300.50-01.00	312.00

No. 2 CONTRACT—Close (in order buyer, seller, business, sales): Aug. 287.5, 288.0, 290.0-279.0, 827; Oct. 314.5, 314.7, 317.0-306.0, 786.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.8 (same) a tonne for home trade and £359.00 (£348.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 24: Daily price 27.23 (27.53): 15-day average 26.75 (26.92).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Oct. 450.0, 451.0, 450.0-448.0, 99; Dec. 454.4, 454.5, 454.5-452.5, 73; March 457.5, 458.0, 458.0-455.5, 58; May 460.0, 460.5, 460.5-458.5, 56; July 461.0, 462.0, 462.0-460.5, 31; Oct. 462.5, 463.0, 463.0-462.0, 12; Dec. 462.5, 464.0, 464.0-462.0, 7. Sales: 336.

POTATOES

LONDON POTATO FUTURES—Continued trade buying at overnight levels attracted some speculative buying into the market, moving values up to £1 higher on November. Some weekend profit-taking trimmed values back, however the market was again steady at the close with further commission house buying interest, reported Coley and Harper. Closing prices: Nov. 39.50 +70 (high 39.90, low 39.00); Feb. 46.60 +60 (high 46.60, low 46.00); April 53.40 +60 (high 53.30, low 53.00). Turnover: 53 (74) lots of 40 tonnes.

★

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £4.00-£6.00, codlings £4.00-£4.40; Shell haddock £4.00, large £4.00, medium £4.00; Medium plaice £6.40-£6.80, best small £4.40-£6.00; Skinned dogfish (medium) £4.00; Lemon soles (medium) £8.00, (large) £8.50.

AMERICAN MARKETS

NEW YORK, July 25

SUGAR RALLIED on reports of continued deterioration in West European beet crops. Gold and silver were sharply higher on further reductions in the prime rates. Copper recovered some of its early losses. The livestock complex showed a mixed trend, with cattle markets sharply higher on a strong live price and the pork complex mixed on demand resistance. Cotton was very strong on reports of dry weather in Texas. Coffee sold off sharply on reports of financial difficulties in origin countries. Producer selling of cocoa put the market under a lot of pressure, reported Heinold.

Potatoes (round whites)—Nov. 86.5 (86.7). March 118.0 (123.0). April 147.7.

Sugar—No. 11: Sept. 30.65-30.70 (29.17). Oct. 31.60-31.80 (30.04). Jan. 32.30-32.70. March 33.10-33.15. May 32.70-32.80. July 31.75-31.80. Sept. 31.50-31.60. Oct. 31.00-31.05.

Tin—787.00-790.00 asked (782.00-790.00).

CHICAGO, July 25.

Lard—Chicago loose 23.00 (same). New York prime steam 23.00 (same).

Live Cattle—Aug. 74.00-73.92 (72.80). Oct. 71.30-71.25 (70.27). Dec. 71.70-71.60. Jan. 71.90-72.10. Feb. 72.65-72.75. April 74.02-74.00. June 75.00.

Live Hogs—Aug. 44.05-44.15 (44.12). Oct. 41.92-42.00 (41.31). Dec. 45.30-45.20. Feb. 48.20-48.35. April 47.50. June 50.05. July 51.40. Aug. 50.60. Oct. 47.55.

Pork Bellies — Aug. 43.15-43.30 (42.80). Feb. 57.65-57.80 (58.75). March 57.90-57.50. May 58.25. July 58.20, Aug. 57.75.

Silver—July 1659.0 (1636.5). Aug. 1653.0 (1637.5). Sept. 1669.5. Oct. 1683.5. Dec. 1714.0. Feb. 1745.0. April 1776.0. June 1807.0. Aug. 1828.0. Oct. 1869.0. Dec. 1900.0. Feb. 1931.0. April —. June —. Aug. —. Oct. —.

†Soyabeans—Aug. 720-719 (73?). Sept. 725-728 (745). Nov. 745-741. Jan. 751. March 766-767. May 769. July 77?. Aug. 770.

‖Soyabean Meal—Aug. 196.0 (193.2). Sept. 199.0 (201.7). Oct. 200.5-200.0. Dec. 205.0-205.5. Jan. 207.0-207.5. March 208.0-209.5. May 211.0. July 212.5. Aug. 212.5-213.0. Sept. 213.0-215.0.

Soyabean Oil — Aug. 26.15-26.10 (26.37). Sept. 26.35-26.30 (26.58). Oct. 25.50-26.45. Dec. 26.70-26.75. Jan. 26.65-26.70. March 26.80-26.75. May 26.90-29.95. July 26.95-27.00. Aug. 26.95-27.00. Sept. 26.95-27.00.

†Wheat—Sept. 449-450½ (451¼). Dec. 468-468½ (467¼). March 477½. May 479½-479. July 478½-479. Scor. —.

Chicago Imm Gold — Aug. 655.0 (638.71. Sept. 662.0 (644.7). Oct. 668.5. Dec. 680.0-681.0. Jan. 686.5. March 700.0-698.0. April 705.0. June 718.0-720.0.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ! Cents per dozen.

INDICES

FINANCIAL TIMES

July 24	July 25	M'nth ago	Year ago
275.94	278.01	267.25	291.02

(Base: July 1, 1952=100)

MOODY'S

July 25	July 22	M'nth ago	Year ago
1198.3	1191.4	1171.4	1083.9

(December 31, 1931=100)

DOW JONES

Dow Jones	July 25	July 22	Month ago	Year ago
Spot	434.49	430.93	435.61	406.20
F'tur's	448.99	446.08	446.08	412.95

(Average 1924-25-26=100)

REUTERS

July 24	July 23	M'nth ago	Year ago
16 95.7	1691.6	1676.9	1538.4

(Base: September 18, 1931=100)

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week at 56 tonnes compared with 236 tonnes in the previous week. For the ninth time this month a nil return was supplied, as traders were very cautious, and suspected the high cost of the raw materials. Interest was only spasmodic, centring chiefly on African qualities.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on July 25. GB cattle 74.60p per kg lw (+1.30); UK sheep 135.72p per kg est dcw (+1.08); GB pigs 66.56p per kg lw (−3.50).

Ommissions from price tables on this Page are due to an industrial dispute at Reuter.

North Notts' oldest pit closes

NORTH NOTTS' oldest pit closed yesterday with the loss of 50 jobs.

Half the 326 men at Teversal colliery, near Sutton in Ashfield, which opened 112 years ago are being transferred to a nearby pit. The others will be employed on salvaging and shaft-filling work until early 1981.

BRITISH FUNDS (334)

PUBLIC BOARDS (7)

REGISTERED AND INSCRIBED STOCKS

Agricultural Mort. Corp. 4 pcDb. 86 (22/7). 5pcDb. 1059-89 64¼ (23/7). 5pcDb. 1979-83 80¼ (22/7). 5½pcDb. 1980-05 77½ (22/7). 6½pcDb. 1993-05 53¼ (22/7). 6½pcDb. 69. 7½pcDb 1981-1984 82½. 7¼pcDb. 1991-1002 70¾ (23/7). 8½pcDb. 1981-83 81½. 9¼pcDb. 1983-85 86. 9½pcDb. 85½.
Finance for Industry 13pcLn. 90½ (18/7). 14pcLn. 101¼ (21/7).
Metropolitan Water Board 3pc(B) 29¼ (21/7). 5½pc 98¼

Liverpool's new exchange

LIVERPOOL'S FIRST TXE4 electronic telephone exchange, designed to be more reliable, will enter service on July 29.

It is the first step in the modernisation programme. It aims to replace, by the early 1990s, all the older mechanical Strowger equipment which has served Liverpool for the past 40 years.

The TXE4 is an advanced exchange which was manufactured and installed at the 207 Liverpool north exchange by Standard Telephones and Cables.

It carries 8,000 lines and is flexible enough to provide even more advanced facilities. The TXE4 was originally designed by Standard Telephones in conjunction with British Telecom.

Call to halt research levy

THE British Woodworking Federation has made representations to the Department of Industry to discontinue the Furniture Development Council statutory levy imposed on members of its kitchen furniture manufacturers' section.

This follows a meeting of the section to consider the Government's request for observations on its review of the statutory levy.

Principal built-in furniture manufacturers say their work is inappropriate for inclusion in the statutory order. They say this sector differs significantly from the remainder of the industry.

BANK RETURN

BANKING DEPARTMENT

	Wednesday July 23 1980	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	30,002,416	— 2,249,638
Special Deposits	458,355,000	—
Bankers Deposits	544,550,386	+ 183,324,892
Reserve & other Accounts	660,499,556	+ 62,373,480
	1,705,960,358	+ 243,448,736
ASSETS		
Government Securities	1,287,177,064	+ 350,335,000
Advances & Other Accounts	225,573,310	+ 10,115,076
Premises Equipment & Other Secs.	173,466,612	— 128,782,914
Notes	19,465,220	+ 11,770,082
Coin	278,162	+ 11,482
	1,705,960,358	+ 243,448,736

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes Issued	10,425,000,000	+ 100,000,000
In Circulation	10,405,554,780	+ 88,229,918
In Banking Department	18,465,220	+ 11,770,082
ASSETS		
Government Debt	11,015,100	—
Other Goverment Securities	8,104,361,723	— 298,975,031
Other Securities	2,309,623,177	— 398,975,031
	10,425,000,000	+ 100,000,000

CORAL INDEX: Close 487-492 (unchanged)

Stock Exchange dealings

Thursday, July 24	23,655
Wednesday, July 23	22,865
Tuesday, July 22	24,208
Monday, July 21	24,805
Friday, July 18	24,757
Thursday, July 17	26,664

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 3.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

• Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

CORPORATIONS (15)

COMMONWLTH. GOVTS. (3)

FOREIGN STOCKS

BANKS (145)

BREWERIES (67)

COMMERCIAL (1,704)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELECTRIC LIGHT & POWER

FINANCIAL TRUSTS (84)

Akroyd and Smithers (25p) 386⊕
Armour Tst. (10p) 9½ 10½ (22/7). 10½pc Ln. 48⊕
Birmingham and Dist. Inv. Tst. 5pc2ndPf. 37½⊕
Boustead (10p) 48. New (10p) 48
Britannia Arrow Hldgs. (25p) 24½⊕ 5⊕ 4½. Warrants to sub. 7 (22/7)
Challenge Corp. ($NZ1) 97 (21/7)
Charterhouse Gp. (25p) 92⊕ 3⊕ 3
City of Aberdeen Land Assctn. (50p) 285 (22/7)
Corinthian Hldgs. (10p) 32 (22/7)
Daily Mail Gen. Tst. (50p) 507
Edinburgh Gen. Insur. Services (10p) 35 (23/7)

GAS (4)

INSURANCE

INVESTMENT TRUSTS

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
English China Clays	25p	11	108	+ 5	109	74
LASMO	25p	11	686	—29	830	337
Premier Cons.	5p	9	88	— 1	109	39½
Barclays Bank	£1	6	395	—15	438	327
Bowater	£1	6	181	— 3	190	131
Brown (J.)	25p	6	57	+ 4½	67	45
Burmah Oil	£1	6	196	— 5	249	162
Coalite	25p	6	137	— 3	141	82
European Ferries	25p	6	183	— 2	191	98
Midland Bank	£1	6	335	—17	384	308
RTZ	25p	6	467	— 3	485	327
Shell Transport	25p	6	410	—10	432	314
Tricentrol	25p	6	334	— 8	414	250
Westland Aircft.	25p	6	121	+ 1	125	55½
ICI	£1	5	370	— 2	402	348

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	49	686	—44	830	337
Dowty	50p	43	223	—36	259	148
ICI	£1	43	370	— 6	402	348
Carless Capel	10p	41	144	+ 9	166	68
GEC	25p	38	472	—16	494	336
English China Clays	25p	36	108	+ 1	109	74
RTZ	25p	36	467	— 8	485	327
Premier Cons.	5p	35	88	— 6	109	39½
Shell Trans.	25p	35	410	—22	432	314
Racal Electronics	25p	32	282	—26	290	175
Westland Air.	25p	31	121	— 4	125	55½
BP	25p	30	348	— 4	412	320
BAT Inds.	25p	29	276	— 4	290	229
Reed Intl.	£1	29	194	—18	215	164
Barclays Bank	£1	28	395	—20	403	327

هكذا من الأصل

Sth Oil Company (UK) oil royalty 530 40

Allinnce Oil Devel. 41
Australian Cons. Minerals 22 19 1/16 22
Bond Corp. 105
Bougainville Copper 150● 3
Bow Valley 555●
CSR 362●
Carr Boyd Minerals 32●
Central Pacific Minerals £30½● 30
Cheung Kong 158
Conzinc Riotinto 260
Double Eagle 162● 45
Engle Corp. 43●
East African Power Light 39●
Endeavour Resources 25½
Gulfstream Resources 350● 40● 50
Hadson Pets. £10¼
Haoma Gold 176●
Hong Kong Land 121
Hudsons Bay Oil and Gas £13⅛● ¼●
Hutchison Whampoa 68½
Jardine Matheson 185● 8 3
Kulim Malaysia 46½●
Lend Lease 202
MIM Hldgs. 237
Malaysian Plantations 61
Mnrathon Oil 25 1/16●
Matheson Inv. 7¼pc Conv. £130
Metals Explo. 52
Meyer Emp. 65●
Mount Lyall 90
Offshore Oil 22●
Nicholas Intnl. 56● 3
Pan Pacific 17●
Petrofina £75●
Poseidon 206●
Queen Margaret Mines 23●
Rhodesian Cables 208●
Rorento £25●
Santa Fe Int. £17¼
Sceptre Resources 525● 20● 35
Scudder Duo Vest 480
Southern Pacific Pets. £11¼

RUBBER (9)

Anglo-Indonesian Corp. (25p) 110●
Barlow Hldgs. (10p) 88 90 (22/7)
Bertram Con. Rubber (10p) 45●

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	13½	½-year	1,000	1
Redbridge (01-478 3020)	13	½-year	200	3/4
Redbridge (01-478 3020)	13½	½-year	200	5/6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	16.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths. not. min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	11.25-12.50 on share accs. depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (1) (e)
Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

RULE 163 (2) (a)
Applications granted for specific bargains in securities not listed on any Stock Exchange

JULY 21

Adnams B 760
Airship Inds. 110 10 108
All England Lawn Tennis Ground £50Dbs. 1981-85 £6,500
Allied Intnl. Designers 25 30
Ann Street Brewery 250
Applied Computer Techniques (Hldgs.) 400 1½ 15 407
Ascot Rentals 10 ½ 11¼
Camra (Real Ale) Invs. 98
Ayrton Saunders 5pcPf. 20
Channel Hotels and Props. 15

Applied Computer Techniques (Hldgs.) New 418
Bio-Kil Chemicals 142
Burrough (James) 120
Celtic Basin Oil Explrn. 200
Channel Hotels and Props. 15 10
CIC Inv. Hldgs. (1p) 1 3/16 ⅞ 1¼ 2 ⅜ ¼
Clairmace 12
Clyde Pet. 305 16
Clyde Pet. New 480 515
Canister Tst. 140
Deltenne (Hldgs.) 11½ 12
Dollar Land Hldgs. 19
Edinburgh Secs. 209 10

RULE 163 (3)
Bargains marked for approved companies engaged solely in mineral exploration

CCP North Sea Associates 235 40
Cluff Oil 340 5
Gas and Oil Acreage 375 80 5
Pict Petroleum 385 400 5 14 15
South-West Cons. Minerals 42
Sovereign Oil and Gas 253 7 8 60 2 2 4 5 ½ 8 7½ 8 70 1 2 3 4 5
Sun Oil Company (UK) oil royalty 530 40

JULY 23

Aran 466 70 2 4
Berkeley Expln. and Prod. 205 0 9 10 13 15

Berkeley Expln. and Prod. 223 5 7 30
Candecca Resources 185 4 0 0 7 8 0 81 2 3 4 5 0 5 0
Candecca Resources New 75 4 6 7 9 80 2 3 4 5 0 7 0 0
C.C.P. North Sea Assets 235 40 2
Cluff Oil 325 35
Pict Pet. 420 30 5
Sovereign Oil and Gas 245 8 7 8 50 3 3 7 6 60 2
Sun Oil Co. (UK) Oil Royalty 605 60

(By permission of the Stock Exchange Council)

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (since July 3, 1980)

The Treasury bill rate fell by 0.0836 per cent at yesterday's tender, to 14.4383 per cent, and the minimum accepted bid rose to £96.39 from £96.355 the previous week. Bids at that level were met as to about 57 per cent and above in full. The £300m bills on offer attracted bids of £887.295m, compared with £891.97m for a similar number the previous week, and all bills offered were allotted. Next week a further £300m will be on offer, replacing the same amount of maturities.

Day-to-day credit remained in short supply in the London money market, and the authorities gave extremely large assistance by buying a small amount of Treasury bills from the discount houses and banks, and by purchases of a small number of eligible bank bills from the houses, for resale at a fixed future date. The help was completed by very large official loans over the weekend to 11 or 12 houses at *Minimum Lending* Rate. Banks brought forward small run down balances, repayment was made of the small amount borrowed on Thursday, there was a moderate take up of Treasury bills to finance, a small rise in the note circulation, and the final call on 13¼ per cent Exchequer 1994.

Discount houses paid 16 per cent for most secured call loans, although some late balances were found at 15¾ per cent.

THE POUND SPOT AND FORWARD

July 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3875-2.3980	2.3910-2.3920	1.45-1.35c pm	7.02	3.77-3.67 pm	6.22
Canada	2.7600-2.7716	2.7650-2.7660	1.60-1.50c pm	2.76	3.45-3.35 pm	4.92
Nethlnd.	4.53½-4.56½	4.54¼-4.55¼	3-2c pm	6.60	6⅞-5⅞ pm	5.61
Belgium	66.35-66.80	66.40-66.50	17-7c pm	2.17	34-24 pm	1.74
Denmark	12.85-12.89	12.85½-12.86½	1-2¼ore dis	−1.89	9½-16 dis	−2.86
Ireland	1.1050-1.1095	1.1055-1.1065	6.07-0.03p pm	6.54	6.27-0.22 pm	0.89
W. Ger.	4.14½-4.17½	4.15½-4.16½	3½-2½pf pm	7.57	7½-6½ pm	6.37
Portugal	118.10-115.90	119.25-116.45	10c pm-35 dis	−1.29	35 pm-90dis	−5.94
Spain	169.15-169.65	169.20-169.30	80-135c dis	−7.62	290-370 dis	−7.80
Italy	1,973-1,979	1,974¼-1,975¼	12-15lire dis	−8.20	43-47 dis	−9.11
Norway	11.47-11.50	11.47½-11.48½	7⅜-6⅜ore pm	7.19	15⅜-14⅞ pm	5.44
France	8.63½-9.67½	8.64½-9.65½	4¼-3¼c pm	4.66	9-8 pm	3.52
Sweden	9.81-9.85	8.82-9.83	2¾-1⅝ore pm	2.67	3½-2½ pm	1.19
Japan	536-541	538½-539½	1.15-0.75y pm	2.11	3.15-2.75 pm	2.19
Austria	29.45-29.65	29.50-29.55	14-11gro pm	5.08	32-26 pm	3.83
Switz.	3.81-3.94	3.82-3.83	4-3c pm	15.98	10½-9½ pm	15.06

Belgian rate is for convertible francs. Financial franc 66.80-66.90. Six-month forward dollar 5.37-5.27c pm, 12-month 7.35-7.25c pm.

EXCHANGE CROSS RATES

July 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.392	4.160	538.0	9.650	3.826	4.548	1975.	2.766	66.45
U.S. Dollar	6.418	1.	1.739	995.4	4.036	1.599	1.909	825.7	1.166	27.79
Deutschemark	6.240	5.575	1.	180.6	8.320	0.918	1.093	474.7	0.665	15.97
Japanese Yen 1,000	1.856	4.437	7.718	1600.	17.90	7.095	8.437	3664.	5.151	123.5
French Franc 10	1.036	2.478	4.311	558.6	10.	3.964	4.718	2046.	2.866	68.86
Swiss Franc	0.261	0.625	1.088	140.9	2.523	1.	1.189	516.3	0.783	17.37
Dutch Guilder	6.226	0.526	6.915	118.5	8.196	6.841	1.	434.2	0.608	14.61
Italian Lira, 1,000	0.506	1.211	2.167	272.8	4.887	1.937	2.303	1600.	1.400	33.65
Canadian Dollar	6.366	6.863	1.504	194.9	3.489	1.383	1.644	714.1	1.	94.63
Belgian Franc 100	1.506	3.599	6.850	811.1	14.52	5.756	6.843	6972.	4.162	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 25)

3 month U.S. dollars		6 month U.S. dollars	
bid 8 1/16	offer 8 3/16	bid 9 3/8	offer 9 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

LONDON MONEY RATES

July 25 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	17-30	—	—	—	—	16¾-16	—	—	—
2 days notice	—	—	16¾-30	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16¾-17⅛	16¾-16⅛	—	17⅝	17¼	16¾-16	—	—	—
One month	16½-16⅝	16⅞-16⅝	16⅝-15⅝	17⅛-17⅝	16 11/16	16¾-16½	15⅝-16¾	14 11/16-14 9/16	16¼	16⅝
Two months	16 1/16-16⅛	16 1/16-16⅛	—	17-17¼	16⅜	—	15-16⅛	14⅝-14 21/32	16⅝	16⅛
Three months	15⅝-15 11/16	16⅝-15⅞	16⅝-15½	15½-15⅛	16¾	16⅛-16⅛	14¾	14½-14⅜	14 11/16-14⅞	15⅝
Six months	14¼-14 7/16	14¼-14 7/16	14¼-14½	14⅛-14½	14 11/16	14¾	—	—	13 15/16-16⅛	13⅛
Nine months	15⅞-13⅝	13⅝-13¾	—	13¾-14⅛	13 11/16	14½	—	—	—	—
One year	13 1/16-13 11/16	13¼-13⅝	16⅛-15⅝	16¼-13⅝	13 1/16	14½	—	—	—	—
Two years	—	—	13⅛-13¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13-13 3/16 per cent; four years 12⅞-13⅛ per cent; five years 12⅞-13⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14 3/16-14¼ per cent: four-month trade bills 15⅝ per cent.

Approximate selling rate for one-month Treasury bills 14 7/16-14 13/32 per cent; two-months 14½-14 7/16 per cent; three-months 14 5/16-14 7/16 per cent. Approximate selling rate for one-month bank bills 16⅝ per cent; two-months 15½ per cent; three-months 14 21/32-14⅜ per cent; one-month trade bills 16⅝ per cent; two-months 15⅞ per cent and three-months 15⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from July 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.4383 per cent.

EXCHANGES AND BULLION

Sterling finished the week at its highest level for five years against major currencies in general with its trade-weighted index on Bank of England figures rising to 75.3 from 75.2, after opening at 75.2 and rising to 75.3 at noon. In terms of the dollar the pound showed a slightly easier trend, closing at $2.3910-2.3920, a fall of 50 points on the day. It opened at $2.3965-2.3975, and touched $2.3970-2.3980 in the morning, before easing to a general level of $2.3955-2.3965. In the afternoon sterling continued to decline to $2.3915-2.3925, before renewed demand for the dollar, and selling of the pound in very thin New York trading, pushed the pound down to a low of $2.3875-2.3885.

The dollar finished near its best level of the day, rising to DM1.7390 from DM1.7350 against the D-mark, after touching DM 1.7400, and closing at SwFr 1.5960, compared with SwFr 1.5940 against the Swiss franc. The Japanese yen remained very weak, falling to its lowest level for over two months. The dollar touched a peak of Y225.80, before finishing at Y225.25, compared with Y223.10 on Thursday.

The dollar's index, as calculated by the Bank of England, rose to 83.5 from 83.1.

Gold rose $9 to $649-652, an increase of $42 on the week. It opened at $647-650, the lowest level of the day, and touched a peak of $652-655 in the afternoon.

GOLD

	July 25		July 24	
Gold Bullion (fine ounce)				
Close	$649-658	(£271.6-279.75)	$640-643	(£266.95-868.2)
Opening	$647-650	(£270-871.95)	$631-634	(£264.9-966.2)
Morning fixing	$659.50	(£279.997)	$635.50	(£266.714)
Afternoon fixing	$651.75	(£272.186)	$643	(£268.081)
Gold Coins				
Krugerrand	$669-679	(£279½-281½)	$661-663	(£275¾-277¾)
Mapleleaf	$663-667	(£275½-978½)	$654-658	(£279½-274½)
New Sovereigns	$156½-166½	(£69-70)	$162¼-163¼	(£67½-68½)
King Sovs.	$190-199	(£70-81)	$186-199	(£75½-78½)
Victoria Sovs.	$190-192	(£79-81)	$186-189	(£75½-78½)
French 20s	$168-178		$167-170	
50 pesos Mexico	$801-806		$786-794	
100 Cor. Austria	$640-645		$625-633	
$20 Eagles	$755-756		$753-757	
$10 Eagles	—		—	
$5 Eagles	—		—	

CURRENCY MOVEMENTS

July 25	Bank of England Index	Morgan Guaranty Changes%
Sterling	75.3	−31.4
U.S. dollar	83.6	−8.9
Canadian dollar	81.3	−16.6
Austrian schilling	156.6	+25.6
Belgian franc	115.7	+14.6
Danish kroner	168.4	−5.4
Deutsche mark	156.9	+44.8
Swiss franc	961.6	+81.1
Guilder	186.6	+20.2
French franc	109.7	−6.2
Lira	55.3	−31.8
Yen	195.1	+95.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

July 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17-17¼	8⅛-8¾	9⅛-10⅛	10-10¼	1-1¼	9⅛-9¼	11⅝-11⅞	17-66	3 1/16-3 3/16	13¼-13¾
7 days' notice	16⅛-17⅛	8⅝-8⅞	9⅛-10⅛	10-16¼	6½-6	8⅛-9¼	11⅝-11⅞	24-97	8⅝-8¾	17½-18
Month	17½-17¾	9½-9¾	16⅜-16⅝	8⅞-16⅛	4⅞-5	8⅛-9¼	11⅝-11⅞	24-95¼	9⅝-9¾	14-14¼
Three months	15⅝-15⅝	9-9¼	16½-16¾	8¾-16	5 1/16-5 3/16	8 11/16-8⅛	11⅝-11⅞	84-25	9 1/16-9 3/16	13⅛-13⅝
Six months	14⅛-14⅝	8¼-8½	10⅛-16¾	8¾-10	5 1/16-5 3/16	8 1/16-8 3/16	11⅝-11⅞	25¼-24¼	8⅝-8⅞	11¾-12
One Year	16⅛-15⅝	9 5/16-9 11/16	10⅛-16¾	8¾-16	4⅛-5	8 1/16-8⅛	11⅞-18⅛	21¼-22¼	9 5/16-9 11/16	10-16¼

Long-term Eurodollar two years 10½-10⅝ per cent; three years 10⅝-10⅞ per cent; four years 10¾-11 per cent; five years 10⅞-11⅛ per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen: others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.75-8.80 per cent; three-months 8.75-8.85 per cent; six-months 8.75-8.85 per cent; one year 9.05-9.15 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.2623	+1.19	+5.42	±1.53
Danish Krone	7.72336	7.79729	+6.96	+5.19	±1.64
German D-Mark	2.48208	2.51766	+1.43	+5.66	±1.125
French Franc	5.84700	5.84724	—	−5.77	±1.3557
Dutch Guilder	2.74362	2.75413	+0.38	−0.39	±1.512
Irish Punt	0.668201	0.670761	+6.38	−0.39	±1.668
Italian Lira	1157.79	1196.49	+3.34	+2.71	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

July 25	£	$		£ Note Rates
Argentina Peso	4511-4531	1876-1888	Austria	28.50-28.60
Australia Dollar	2.0590-2.0530	0.8525-0.8530	Belgium	65.45-67.05
Brazil Cruzeiro	126.93-197.83	53.11-63.31	Denmark	19.80-12.90
Finland Markka	8.56½-8.61½	6.5940-3.5966	France	9.60-9.66
Greek Drachma	101.648-164.566	42.68-48.90	Germany	4.14-4.17
Hong Kong Dollar	11.76-11.80	4.9275-4.9285	Italy	1930-2025
Iran Rial	n a	n a	Japan	538-543
Kuwait Dinar(KD)	6.636-0.642	6.2666-0.2667	Netherlands	4.52½-4.65½
Luxembourg Frc.	66.40-66.50	57.77-27.79	Norway	11.44-11.54
Malaysia Dollar	5.1160-5.1260	2.1400-2.1480	Portugal	112-116
New Zealand Dlr.	2.4290-5.4970	1.0145-1.6155	Spain	164½-171
Saudi Arab. Riyal	7.89-7.98	3.3180-3.5810	Sweden	9.78-9.88
Singapore Dollar	6.0475-6.0575	8.1115-2.1155	Switzerland	3.81-3.84
Sth. African Rand	1.8165-1.8200	0.7605-0.7610	United States	2.389-8.399
U.A.E. Dirham	8.90-8.86	3.6880-3.6910	Yugoslavia	63¼-68

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 25/7/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	155.00	47.6	77-81	6.6	4.0	−12.0	−13 to −7	0.0	9.5	5.4	+17.4
British Land 12pc Cv. 2002	7.71	309.00	333.3	80-97	3.9	1.3	− 0.3	− 4 to 5	18.0	90.3	23.3	+23.6
Hanson Trust 6½pc Cv. 88-93	3.02	97.00	57.1	76-81	6.9	7.1	− 2.4	−10 to −2	3.1	3.2	0.1	+ 2.6
Slough Estates 10pc Cv. 87-90	5.44	251.00	187.5	78-86	4.0		− 3.0	− 4 to 2	36.4	40.1	1.4	+ 4.4
Slough Estates 8pc Cv. 91-94	24.88	125.00	78.0	80-91	6.4	5.0	16.1	14 to 22	26.5	48.1	20.0	+ 3.9
Ultramar 7pc net R.Cv.Pfd.	1.18	3.50	1.1	76-81	2.9		− 1.6	− 4 to 6	11.6	9.7	− 0.5	+ 1.0
Wilkinson Match 10pc Cv. 84-98	11.10	82.00	40.0	76-83	12.3	12.6	28.1	25 to 63	15.1	24.9	15.3	−12.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 16 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Leading equities and Gilt-edged close on drab note
Midland Bank interim profits unsettle banking sector

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
July 14	July 24	July 25	Aug. 4
July 28	Aug. 7	Aug. 8	Aug. 18
Aug. 11	Aug. 28	Aug. 29	Sept. 8

* "New time" dealings may take place from 9 am two business days earlier.

London equity markets closed the final leg of the trading Account on a drab note yesterday. The Chancellor's prediction of a noticeable fall in the rate of inflation next month failed to influence market sentiment and dealers saw only end-Account offerings and, more significantly, a volume of business in Oils thought to be distress selling.

Interest was diverted for a while by British Land's bids for UK Property and Corn Exchange coupled with National Carbonising's purchase of a further share stake in Petrocon. The extremely disappointing interim profits of Midland Bank, however, shook the banking sector and gave potential investors another reason to hold back and ponder on the constant stream of gloomy trading news emanating from UK industry.

Most leading shares were showing small losses just before 3.30 pm, although some clearing banks were as much as 17p down, but after the official close, when business is allowed without penalty for the Account beginning on Monday, values were marked a penny or so higher and the FT 30-share index, down 1.6 at 3.00 pm, settled a net 0.3 up at 487.3 for a loss on the week of exactly 10 points.

The tone this week in equities has been in complete contrast to the first leg of the Account when the 30-share index pierced 500 for the first time since June of last year and the FT-Actuaries All-share index moved to its highest since compilation.

Government securities were also showing less confidence than earlier in the week and opened yesterday at the lower levels pertaining late the previous evening after further selling of current market favourites such as Treasury 13 per cent 2000. The new £20-paid tap stock, Treasury 11¾ per cent 1991 "A," slipped to ¼ discount before rallying to a marginal premium at 20¼ on Thursday. the Government broker was able to sell supplies at 20¼. Other longs followed and ended narrowly mixed, while the shorts generally closed a shade harder on the day.

Measured by the FT Gold Mines index, South African Gold shares recorded a five-year peak on renewed U.S. and Johannesburg demand engendered by the rising bullion price. The latter has responded to falling U.S. interest rates; on Thursday some major Prime rates were lowered to 10¾ per cent.

Demand for Traded options continued to contract and only 776 deals were arranged, the lowest total so far this month. However, Lonrho remained active and attracted 395 trades.

Midland disappoints

Although analysts had already made a downward revision in their estimates for Midland by as much as £20m following Lloyds' poor interim performance, the 10 per cent contraction in first-half profits revealed by Midland was deemed very disappointing and prices of the major clearers fell sharply. Midland plummeted to 326p before closing a net 17 down on balance at 335p, while NatWest, the next to report on Tuesday, closed 15 lower at 352p. Barclays also fell 15, to 395p, and Lloyds relinquished 10 to 312p, after 305p. Elsewhere, Grindlays firmed 10 to 150p on demand ahead of Tuesday's interim figures.

Lloyds brokers took a turn for the worse among Insurances following Minet's poor first-quarter figures: Minet ended 6 off at 97p. Stewart Wrightson lost 9 to 223p and Willis Faber gave up 7 to 255p.

Special situations were usually responsible for notable movements in Buildings. Speculative buying in the wake of Starwest Investment's "dawn raid" on the company left Gough Cooper 9 higher at 100p. Higgs and Hill closed 2 down at 90p, after 96p, on thoughts that the discussions with BICC may be protracted. Armitage Shanks added a couple of pence to 109p on the chairman's remarks at the annual meeting, while A. Monk hardened a penny to 33p despite the annual trading loss.

Leading Chemicals were subjected to small selling which left ICI 2 cheaper at 370p and Fisons 4 off at 234p. Elsewhere, Leigh Interests firmed 6 to 172p, and Anchor revived with a gain of 5 to 72p.

Stores passed a drab session although some late buying for the new Account lifted selected counters above the previous day's closing levels. House of Fraser firmed 3 to 138p, while Debenhams gained the turn to 79p. Elsewhere, revived support was noted for Poly Peck, 6 dearer at 106p, while recovery hopes lifted Kitchen Queen a penny to 11p. Lee Cooper, on the other hand, were again sold and shed 3 for a fall on the week of 15 at 115p. Bambers lost 4 to 44p.

Thorn EMI better

Consideration of the company's plan to collaborate with Sharp of Japan in a joint programme for development, manufacturing and distribution helped Thorn EMI improve 4 to 328p. Renewed speculative support left Air Call up 4 more to 207p, while Farnell rallied 10 to 360p and Webber found support at 100p, up 13. Still reflecting the chairman's cautious statement, Racal cheapened 3 more to 262p, while the poor interim results continued to weigh heavily on Eurotherm which lost 3 more taking its decline on the week to 79 at 290p. Despite the interim dividend cut and half-year deficit, Concord Rotaflex remained at the overnight level of 15p.

John Brown rallied from an initial 50p to close a net 4½ higher on balance at 57p as the accompanying cheerful statement on prospects outweighed the 25 per cent annual profits contraction. Other Engineering leaders drifted lower on lack of support with Tubes finishing 6 down at 270p: the interim results are due on August 6. Elsewhere, Davy Corporation rose 6 to 99p following comment on the annual figures and F. H. Tomkins hardened a penny to 18½p in response to the increased preliminary profits. Howard Machinery, however, declined 2 to 9p on the interim dividend omission and half-year loss.

In Foods, British Sugar put on 10 to 256p on strong buying fuelled by rumours that Lonrho was building up a stake in the company. Elsewhere, persistent small selling clipped 4 more from Rowntree Mackintosh, 184p, while Tesco closed 1½ off at 56p following the chairman's remarks at the annual meeting.

Perocon rise

The absence of the much-rumoured dawn raid prompted early weakness in recently firm Turner and Newall which fell to 125p before rallying to end unchanged at 131p on the reappearance of speculative buyers. A dawn raid which did materialise, however, left Petrocon 6 higher at 35p following National Carbonising's acquisition of a near-30 per cent stake in the company.

The shake-out in secondary Oils continued unabated yesterday in the wake of further adverse comment. Lasmo weakened 29 to 686p, IC Gas 16 to 800p and Tricentrol 8 more to 334p. Berkeley Exploration also remained on offer, losing 15 for a two-day fall of 28 to 180p, while Aran Energy shed 20 to 444p. Among the leaders, Shell eased 10 to 410p, but British Petroleum held at 348p. Elsewhere, Strata Oil were marked sharply lower to 123p on Australian influences, but picked up to close a net 9 down at 128p.

In Overseas Traders, Lonrho again succumbed to selling and closed 5 lower at 103p; the new nil-paid fell 4½ to 22p premium. Gill and Duffus eased 4 to 155p, while Inchcape, annual results expected on Monday, gave up 9 for a two-day loss of 19 at 416p.

Investment Trusts traded quietly and closed with small irregular movements. Caledonia eased 3 more to 308p, while Rothschild fell a similar amount to 347p. In Financials, Press comment ahead of next week's floatation of 51 per cent of the company's oil interests left Charterhouse 3 firmer at 95p.

Shippings trended to lower levels. P. & O. Deferred gave up 4 to 126p, while Ocean Transport shed a similar amount to 127½p. British and Commonwealth eased 2 to 338p for a fall of 42 since the chairman's bearish remarks at Wednesday's annual meeting.

Textiles continued easier. The annual loss and lack of a final dividend left Harold Ingram 4 cheaper at 24p, while further consideration of the previous day's poor interim report clipped 2 more from Strond Riley Drummond, 34p. Tern-Consulate also lacked support and eased 3 to 36p, but Sirdar, a volatile market recently on bid hopes encountered renewed buying and ended 5 up at 91p.

A particularly good two-way business was transacted in Imperial, which closed a shade firmer at 79½p.

In Plantations, Castlefield (Klang) attracted strong speculative support on rumours that the company has sold an estate to a development concern and the shares jumped 105 to 545p.

Golds at 5-year high

Another strong performance by the bullion price—finally $9 higher at $650.50 an ounce for a week's gain of $42—encouraged further persistent demand for South African Golds. The Gold Mines index advanced 6.4 for a week's gain of 28.1 to 383.6, its highest since July 2 1975.

The share market opened on a strong note and continued to move ahead throughout the day as local and Johannesburg buying was followed by renewed American support.

Heavyweights registered gains to a point as in President Steyn, which touched a 1980 high of £20¼, while new highs were also recorded in Western Deep, ½ up at £24¼, Western Holdings, ¼ firmer at £33¾ and Libanon, ¼ to the good at £11¼.

Financials were generally a shade better in quiet trading. An exception to the general rule was provided by Anglo American which advanced 20 more to 670p —55 up on the week—following sizeable local and Johannesburg interest.

London Financials opened on a firm note but subsequently eased on end-account selling. The strength of Golds and the firmness of the free market platinum price prompted further good demand for Impala Platinum, the subject of favourable Press mention earlier in the week: Impala's shares advanced 12 for a rise on the week of 66 to 340p.

Australians staged a late rally after opening on a weak note in the wake of another poor performance in overnight domestic markets.

The Strata group companies were particularly unsettled with Haoma Gold finally 22 lower at 150p and North West Mining 4 off at 138p, after 136p.

Elsewhere in Australians, Mount Lyell hardened a penny to 96p following the sharply increased profits and return to the dividend list.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	330	48	1	60	—	70	1	348p
BP	360	26	14	42	—	52	—	"
BP	390	15	4	29	2	—	—	"
BP	420	6½	56	—	—	—	—	"
Com. Union	140	21	2	24	1	29	—	150p
Com. Union	160	7	60	11	1	17	—	"
Cons. Gold	500	65	1	78	—	98	—	528p
Cons. Gold	550	35	2	53	—	70	—	"
Cons. Gold	600	20	1	33	—	—	—	"
Courtaulds	70	7	5	10½	—	15	11	66p
Courtaulds	90	2	9	3½	5	—	—	"
GEC	460	38	—	60	—	76	1	471p
GEC	500	19	9	38	—	54	—	"
Grand Met.	160	11	2	19	1	24	—	157p
ICI	360	28	33	40	—	50	—	369p
ICI	390	11	20	26	—	30	—	"
ICI	420	5	32	—	—	—	—	"
Land Secs.	353	39	1	51	—	—	—	360p
Land Secs.	390	19	3	30	1	46	—	"
Shell	390	44	4	52	—	—	—	411p
Shell	420	26	14	47	—	54	—	"
Shell	460	12	9	24	—	34	2	"
Totals			260		11		15	
		August		November		February		
Imperial Gp.	80	3	18	6	2	10	—	79p
Lonrho	94	13	3	17	5	23	5	103p
Lonrho	104	7	210	13	38	17	3	"
Lonrho	114	4	6	9	125	14	—	"
P. & O.	120	11½	5	19½	—	20½	—	127½p
P. & O.	130	5	14	12½	—	14½	12	"
Racal Elec.	240	28	—	42	5	53	—	262p
Racal Elec.	260	11	7	30	—	40	—	"
Racal Elec.	300	2	—	10	5	21	—	"
RTZ	390	77	—	93	5	122	—	464p
RTZ	460	13	—	43	1	67	—	"
RTZ	500	6	—	19	—	47	1	"
Totals			263		186		21	

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jul. 21	Aug. 1	Oct. 23	Nov. 3
Aug. 4	Aug. 15	Nov. 6	Nov. 17
Aug. 18	Aug. 29	Nov. 20	Dec. 1

For rate indications see end of Share Information Service

Stocks favoured for the call included Premier Oil, Aran Energy, FNFC, MFI, Burmah, Berkeley Exploration, Coral Leisure, Midland Bank, Royal Bank of Scotland, Lee Cooper, Lonrho, Charterhouse, Tricentrol, Attock Petroleum, Raglan Properties, Weir Group, Turner and Newall, Burmah, House of Fraser, Strata Oil and BP. No puts were reported but doubles were arranged in BP, Shell, Dunlop, Turner and Newall and Debenhams.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Fri., July 25, 1980: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur., July 24 Index No.	Wed., July 23 Index No.	Tues., July 22 Index No.	Mon., July 21 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	270.25	−0.2	16.71	5.90	7.24	278.79	279.28	281.75	286.64	237.61	286.96 (18/7)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (26)	263.04	+0.1	17.55	6.37	6.69	262.82	262.88	264.84	268.14	223.85	258.14 (21/7)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	415.22	+0.3	22.23	5.90	5.36	413.88	415.66	419.77	423.81	349.32	423.81 (21/7)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (15)	795.04	−0.5	12.45	3.29	9.96	797.65	797.46	802.50	816.54	581.19	818.00 (18/7)	539.56 (2/1)	818.00 (18/7/80)	84.71 (25/6/62)
5	Engineering Contractors (11)	330.24	+0.7	20.56	7.89	6.10	327.90	329.47	335.90	337.53	376.71	337.53 (21/7)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	180.03	−0.3	17.87	7.37	6.80	180.50	181.49	184.25	189.30	172.70	190.20 (18/7)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	169.77	−0.2	21.25	10.00	5.66	170.17	170.20	170.82	172.80	159.64	173.09 (18/7)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	229.85	+0.1	14.39	5.69	8.36	229.69	230.43	232.46	237.90	225.10	237.90 (21/7)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	341.59	—	11.24	4.13	10.91	341.51	342.90	347.41	357.21	314.89	357.21 (21/7)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	97.18	−0.2	24.93	10.86	5.06	97.38	97.63	98.53	99.27	150.19	116.40 (1/1)	93.32 (9/6)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	103.52	+0.3	22.15	9.54	5.22	103.24	103.32	102.79	103.95	109.72	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	234.10	−0.3	17.70	6.90	6.83	234.77	235.24	236.29	239.53	229.62	240.12 (8/7)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	284.07	−0.6	15.95	6.48	7.32	285.76	286.72	286.62	297.30	274.48	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23	Wines and Spirits (5)	317.60	+0.5	19.10	6.41	6.16	315.91	309.24	307.85	313.18	324.86	322.92 (8/7)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	335.75	—	17.20	6.66	7.21	335.84	337.27	336.92	343.56	298.69	349.80 (7/7)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	213.23	−0.6	19.07	7.04	6.16	214.59	215.25	217.27	218.78	194.96	219.08 (16/7)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	346.69	—	12.16	4.56	9.81	347.01	344.53	345.16	346.13	297.49	347.01 (24/7)	286.28 (3/1)	347.01 (24/7/80)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	434.63	−1.5	21.96	6.73	6.15	441.44	443.11	443.50	444.33	401.54	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	132.71	−3.0	26.95	9.86	4.32	136.79	137.82	137.17	140.51	120.99	140.51 (21/7)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (45)	227.72	+0.1	13.86	5.52	9.41	227.52	227.96	229.42	231.99	237.33	231.99 (21/7)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (21)	126.32	—	26.03	12.50	4.68	126.37	126.62	128.12	129.48	149.93	140.52 (14/7)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	224.38	+0.3	25.58	10.38	4.45	223.70	226.67	228.74	229.23	233.15	239.09 (8/7)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	26.16	—	8.59	14.57	26.90	26.16	26.51	26.98	27.63	65.30	47.59 (1/1)	25.08 (16/6)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	226.25	−0.6	16.26	6.85	7.31	227.59	226.82	228.31	230.85	194.08	230.85 (21/7)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	315.94	−0.8	19.64	7.63	5.84	318.38	319.88	321.05	324.28	267.23	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	229.36	−1.1	11.03	6.04	11.21	231.89	230.83	230.32	234.00	213.11	241.07 (7/7)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	103.82	−0.3	19.50	7.99	5.98	104.15	104.42	106.47	109.15	116.29	123.10 (14/2)	98.57 (2/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	590.13	−1.8	13.01	5.98	9.37	600.97	595.75	602.93	607.75	449.43	610.62 (16/7)	411.53 (10/1)	610.62 (16/7/80)	90.80 (29/6/62)
46	Miscellaneous (60)	284.56	—	15.73	6.49	7.79	284.45	281.41	284.44	286.78	231.92	286.78 (21/7)	211.86 (3/1)	286.78 (21/7/80)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (492)	253.54	−0.5	16.67	6.53	7.14	251.31	251.50	253.12	256.86	229.58	256.86 (21/7)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	737.29	−1.2	29.21	6.53	3.78	796.53	800.38	800.95	813.31	644.10	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	293.14	−0.5	19.37	6.53	6.05	294.55	295.02	296.57	301.00	263.02	301.00 (21/7)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (116)	229.70	−1.5	—	5.51	—	233.26	233.78	234.14	236.07	182.03	236.07 (21/7)	175.85 (3/1)	241.41 (1/4/72)	55.88 (13/12/74)
62	Banks (6)	227.69	−3.8	43.47	7.23	2.80	236.61	236.64	237.91	239.41	216.39	247.68 (16/7)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	293.69	+0.2	—	5.94	—	298.14	303.18	296.89	295.79	257.50	303.18 (23/7)	206.50 (18/3)	303.18 (23/7/80)	81.40 (10/12/74)
64	Hire Purchase (5)	247.06	−2.5	12.54	4.05	10.39	253.41	251.56	246.64	246.52	161.10	253.41 (24/7)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	229.74	−1.3	—	5.54	—	232.65	232.89	232.40	236.34	145.87	236.34 (21/7)	151.80 (3/1)	236.34 (21/7/80)	44.88 (2/1/75)
66	Insurance (Composite) (9)	154.54	−1.4	—	6.96	—	156.80	156.74	157.50	159.01	117.73	159.01 (21/7)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (9)	332.34	−3.2	13.96	6.93	9.84	343.83	344.41	344.61	349.01	236.93	349.01 (21/7)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (12)	141.65	+0.8	—	5.01	—	140.56	141.01	140.77	141.45	96.10	141.65 (25/7)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	434.38	−0.3	3.31	2.68	42.47	435.59	438.17	438.54	441.91	346.82	441.91 (21/7)	304.20 (3/1)	441.91 (21/7/80)	56.01 (20/4/65)
70	Miscellaneous (12)	143.16	+0.7	14.45	6.11	8.80	142.23	143.14	143.50	143.49	115.92	143.56 (18/7)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	262.59	−0.4	—	5.36	—	263.76	264.46	267.04	269.39	201.73	269.39 (21/7)	188.97 (3/1)	269.39 (21/7/80)	71.63 (13/12/74)
81	Mining Finance (4)	242.85	−0.4	11.11	4.06	10.85	243.84	242.39	244.91	248.25	112.77	248.25 (21/7)	161.95 (1/1)	248.25 (21/7/80)	66.31 (30/9/74)
91	Overseas Traders (19)	408.94	−1.5	11.71	7.25	10.40	415.38	418.07	422.17	422.49	324.24	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	280.55	−0.7	—	6.21	—	282.51	282.98	284.43	288.10	239.54	288.10 (21/7)	225.06 (3/1)	288.10 (21/7/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., July 25	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.68	+0.10	—	6.05
2	5-15 years	115.02	−0.06	—	8.02
3	Over 15 years	122.76	−0.05	—	7.61
4	Irredeemables	136.05	+0.04	—	7.24
5	All stocks	114.58	−0.01	—	7.87

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Fri., July 25	Thur., July 24	Year ago (approx.)	1980 Highs	1980 Lows
1	Low	5 years	11.37	11.26	10.20	13.32 (4/3)	11.17 (21/7)
2	Coupons	15 years	11.33	11.18	10.65	13.12 (4/3)	11.11 (21/7)
3		25 years	11.33	11.18	11.10	13.12 (4/3)	11.11 (21/7)
4	Medium	5 years	12.69	12.58	12.32	15.37 (4/3)	12.45 (21/7)
5	Coupons	15 years	12.59	12.49	12.24	14.71 (4/3)	12.48 (21/7)
6		25 years	12.50	12.42	12.16	14.50 (4/3)	12.35 (23/7)
7	High	5 years	12.84	12.81	12.54	15.44 (4/3)	12.71 (17/7)
8	Coupons	15 years	12.93	12.88	12.54	15.06 (4/3)	12.81 (21/7)
9		25 years	12.73	12.70	12.54	14.92 (4/3)	12.63 (23/7)
10	Irredeemables		10.84	10.83	10.64	12.53 (21/3)	10.80 (21/7)

		Fri. July 25 Index No.	Yield %	Thur. July 24	Wed. July 23	Tues. July 22	Mon. July 21	Fri. July 18	Thur. July 17	Wed. July 16	Year ago app'x	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	55.46	13.56	55.45	54.61	54.57	54.48	54.38	54.54	54.18	56.47	55.46 (25/7)	49.12 (7/1)	114.43 (28/10/65)	37.06 (5/1/75)
16	Investment Trust Prefs. (15)	50.64	15.25	50.94	51.28	51.28	51.26	51.18	51.18	48.71	51.69	51.19 (15/7)	46.54 (2/1)	114.41 (18/9/68)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	68.56	15.16	68.18	68.25	68.25	68.10	67.06	67.10	65.34	72.22	68.50 (25/7)	60.98 (27/3)	114.96 (7/10/65)	47.67 (6/1/75)

Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13

Equity Section or Group	Base Date	Base Value
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00
British Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy.

CONSTITUENT CHANGE: Keyser Ullman Holdings (Merchant Banks) has been replaced by Mercantile House Holdings (Miscellaneous Financial). As from Friday, July 25, the coupon band for low-coupon British Government stocks is 3-9 per cent as against 3-8¾ per cent previously. Similarly the medium-coupon band 9¼-12¼ per cent [9-12 per cent] and the high-coupon band 12½-15½ per cent (12¾-15½ per cent].

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (74)

BRITISH FUNDS (1)
Treas. 3½pc 1979-81
CORPORATION LOANS (2)
L.C.C. 6½pc '08-90 N'castle 9½pc '78-80
COM'WEALTH & AFRICAN LOANS (3)
N.Z. 7½pc '88-92 Aust. 6pc '81-83
Do 7½pc '83-86
FOREIGN BONDS (1)
Ireland 7½pc '81-83
AMERICANS (1)
Zapata Corp.
BANKS (5)
BUILDINGS (7)
CHEMICALS (1)
ICI 5pc Pref.
ELECTRICALS (3)
Energy Services
ENGINEERING (1)
Francis Inds.
FOODS (1)
British Sugar
INDUSTRIALS (18)
PAPER (1)
Smurfit (J.)
PROPERTY (8)
TRUSTS (6)
RUBBERS (1)
Malaysian Plants.
MINES (14)

NEW LOWS (27)

BRITISH FUNDS (1)
AMERICANS (1)
BEERS (1)
CHEMICALS (1)
ELECTRICALS (2)
Jones, Stroud Wigfall (H.)
ENGINEERING (4)
Dennis (J. H.) Howard Machinery
Edbro (Hldgs.) Lee (A.)
INDUSTRIALS (6)
LEISURE (1)
Fairline Boats
NEWSPAPERS (3)
SHIPPING (1)
SHOES (1)
TEXTILES (4)
OIL & GAS (1)

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	18	29	43	205	136	114
Corpns. Dom. & Foreign Bonds	8	7	51	68	15	247
Industrials	162	314	918	910	1,650	4,411
Financial and Property	49	153	294	491	746	1,244
Oils	1	30	25	50	140	90
Plantations	3	7	15	21	18	89
Mines	53	37	69	263	188	344
Others	35	55	76	221	228	376
Totals	330	632	1,491	2,229	3,119	6,915

RECENT ISSUES
EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
§38½	F.P.	—	100	80	Energy Capital (12½p)	85	−5	—	—	—	—
**	F.P.	—	357	215	††Hall Bros.	250	−7	—	—	—	—
55	F.P.	20/8	90	74	Home Farm Prods 10p	86	.....	b2.9	8.5	4.8	11.8
—	F.P.	—	9	3	‖Jenkin & Purser	7½	.....	—	—	—	—
§83	F.P.	27/6	91	79	Oakwood Group	81	+1	b6.5	2.4	11.5	5.2
100	F.P.	27/6	110	91	Peerless	99	.....	b6.3	8.8	9.8	4.6
§51	F.P.	—	78	67	††Rolfe & Nolan 10p	68	−1	t1.0	5.6	3.1	19.2
§80	F.P.	—	112	105	‖S.P.D. Minerals 10p	105	.....	—	—	—	—
§57	F.P.	—	86	73	Utd. Electronic 20p	75	−1	H1.57	1.8	5.1	2.0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
‖	F.P.	23/7	119	109½	British Home Stores 9% Cnv. Ln. '92	117	−2
100	F.P.	—	100½	99	Dalgl 6½% Conv. Bds. due 1995	102	.....
‖‖	F.P.	—	69	63½	London & Midland Inds 8½ pc Deb. '89-94	69	.....
‖‖	F.P.	—	102	101	Outwich 10% Pref.	101	.....
‖	£10	8/8	15½	11½	South Staff. Water 9¾% Rd. Pf. '85	15½	+¾
‖	£10	29/8	13¾	15¼	Sunderl'd & S.Shields Wtr 8¾% Rd. Prf. 1986	13¾	+¼

"RIGHTS" OFFERS

Issue Price p	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p	+ or −
65	Nil	5/8	1/9	30pm	24½pm	Anderson Strathclyde	28pm	−1½
103	F.P.	14/7	15/8	127	117	Astbury & Madeley	121	.....
132	F.P.	28/7	8/9	164	146	Berisford (S. & W.)	164	.....
18	Nil	7/8	18/9	18pm	9½pm	Brengreen	18pm	.....
115	F.P.	4/7	1/8	144	124	Brown & Jackson	138	−2
100	F.P.	3/7	7/8	159	118	Carless Capel	148	−1
55	F.P.	22/7	15/8	75	64	Charterhall	64	.....
34	Nil	1/8	29/8	22pm	16pm	Clive Discount	21pm	−1
92	Nil	30/7	12/8	48pm	31pm	Coalite	45pm	−3
50	F.P.	25/7	22/8	91pm	85pm	Crest, Nicholson	90pm	+2
520	F.P.	15/7	6/8	737	646	Harrison & Crosfield	725	−12
76	Nil	30/7	20/8	20pm	11pm	Hazlewood Foods	17pm	.....
263	F.P.	1/7	15/8	368	330	Land Securities	361	−5
126	Nil	—	8/8	175pm	27pm	Lloyds & Scottish	169pm	−8
80	Nil	—	—	30½pm	15½pm	Lonrho	22pm	−4½
52	F.P.	28/7	29/8	81	65	Mallinson-Denny	69	.....
60cts	Nil	—	—	435pm	180pm	Pancontinental	316pm	−5
10	Nil	—	—	3½pm	2½pm	Sturla	2½pm	−½
12½	Nil	31/7	26/8	1pm	¼pm	Thurgar Bardex	¼pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. ‡ Dealings under special rule.

FINANCIAL TIMES STOCK INDICES

	July 25	July 24	July 23	July 22	July 21	July 18	A year ago
Government Secs.	72.16	72.24	72.49	72.34	72.54	71.91	72.93
Fixed Interest	74.07	74.08	73.95	73.84	73.76	73.11	74.95
Industrial	487.3	487.0	486.0	486.7	498.0	497.3	468.9
Gold Mines	383.6	377.2	372.7	361.6	358.8	355.5	189.8
Ord. Div. Yield	7.45	7.44	7.45	7.45	7.30	7.29	6.80
Earnings, Yld. % (full)	18.09	18.05	18.09	18.08	17.72	17.69	17.47
P/E Ratio (net) (*)	6.66	6.67	6.66	6.66	6.80	6.81	7.21
Total bargains	23,698	23,655	22,855	24,208	24,805	24,757	[illegible]
Equity turnover £m.	—	189.96	159.23	125.21	137.83	148.75	89.94
Equity bargains total	—	16,195	18,510	17,446	18,405	18,435	13,729

10 am 485.5. 11 am 485.5. Noon 486.1. 1 pm 486.3.
2 pm 485.8. 3 pm 485.4.

Latest Index 01-246 8026.

*Nil = 6.21.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	505.1 (18/7)	406.8 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	383.6 (25/7)	255.5 (15/3)	442.3 (22/6/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 25	July 24
—Daily		
Gilt Edged	103.5	116.0
Industrials	108.8	104.1
Speculative	41.1	39.6
Totals	76.5	94.2
5-day Avrge.		
Gilt Edged	121.6	126.5
Industrials	121.6	125.2
Speculative	40.5	39.7
Totals	88.4	89.1

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Henderson Admin. (Guernsey) Ltd.

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331

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FT UNIT TRUST INFORMATION SERVICE

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (b)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia/Schlesinger

Schlesinger Trust Mngrs. Ltd. (a)(z)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Trust Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Ltd.

Save & Prosper Group

For Schlesinger Trust see Britannia/Schlesinger

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd. (a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

For Solar Life Assurance Ltd. see Save & Prosper

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia/Schlesinger

Britannia Tst. Mngmt. (C.I.) Ltd.

Schlesinger International Mngt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Management & Research

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Gartmore Fund Managers (C.I.) Ltd.

Gartmore Fund Managers (Far East) Ltd.

Gartmore Invest. Mgmt. Ltd.

Hambros Pacific Fund Mgmt. Ltd.

Hambro Fd. Mgrs. (C.I.) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100$\frac{1}{16}$	99$\frac{1}{16}$	Exchequer 13pc 1980‡‡	99⅔	+$\frac{1}{16}$	13.08	14.58
99$\frac{5}{16}$	96¾	Treasury 11½pc 1981‡‡	98⅞	+$\frac{1}{16}$	11.63	13.90
95¼	90⅝	Treasury 3½pc 1979-81	95¾xd	+⅛	3.65	11.67
97⅞	93⅜	Treasury 9¾pc 1981‡‡	97$\frac{7}{16}$	+⅛	9.99	13.50
96¼	91¼	Exch. 8¼pc 1981	95⅞	+⅛	8.80	13.49
96⅝	92¼	Exch. 9½pc 1981	96$\frac{5}{16}$xd	+⅛	9.83	13.23
92⅞	85½	Exch. 3pc 1981	92¾xd	......	3.23	10.38
99⅛	96½	Treas. Variable '81‡‡	98¾	......	15.21	15.77
99$\frac{11}{16}$	95$\frac{3}{16}$	Exch. 12¾pc 1981‡‡	99$\frac{11}{16}$	......	12.79	12.89
94$\frac{9}{16}$	88½	Treas. 8½pc '80-82‡‡	94⅝	......	9.01	12.78
90	82½	Treasury 3pc '82‡‡	89⅞xd	+⅛	3.33	10.22
101$\frac{11}{16}$	96⅝	Treasury 14pc '82‡‡	101½	......	13.79	12.89
98¼	94¼	Treas. Variable '82‡‡	97$\frac{3}{16}$	......	15.34	16.26
93⅛	86⅛	Treasury 8¼pc '82	92¼	......	8.89	12.56
93¼	86⅞	Exch. 9¼pc 1982	93	......	9.95	13.02

Five to Fifteen Years

Over Fifteen Years

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
95⅛	80¼	Treasury 11¾pc 03-07	94¾	......	12.42	12.45
109	94½	Treas. 13½pc '04-08	108¼	......	12.77	12.73
53¼	42⅞	Treasury 5½pc '08-12‡‡	52⅞	−⅛	10.23	11.16
68⅜	57½	Treasury 7¾pc '12-15‡‡	68	−⅛	11.40	11.52
100½	85⅛	Exch. 12pc '13-'17	100	......	12.18	12.18

Undated

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
33⅞	29	Consols 4pc	33⅝xd	+⅛	11.88	—
33¾	28⅞	War Loan 3½pc‡‡	33⅛	......	10.58	—
37¾	32¾	Conv. 3½pc '61 Aft.	37⅛	......	9.72	—
25¾	21⅝	Treasury 3pc 66 Aft.	25¾	......	12.09	—
22⅞	19½	Consols 2½pc	22⅜	......	11.25	—
22	17⅞	Treasury 2½pc	21⅞	......	11.87	—

INTERNATIONAL BANK

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
87½	78	5pc Stock '77-82	87	−¼	5.75	12.30

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97¼	83⅝	Bath 11¼pc 1985	97¼	......	11.88	12.63
98¾	89½	Birm'ham 12½pc 1985	98½	−¼	12.69	12.89
99½	96¾	Bristol 13¾pc 1981	99½	......	13.82	14.46
101¾	90	Burnley 13pc 1987	101¾	......	13.04	13.00
95¼	82¾	Cardiff 11pc 1986	95¼	......	11.88	12.74
98¼	93	G.L.C. 12½pc '82	98¼	......	12.72	13.57
98¾	90¼	Do. 12½pc 1983	98¼xd	−¼	12.80	13.48
91¾	84¾	Glasgow 9¼pc '80-82	91¾	......	10.08	13.51
75¾	64½	Herts 6¾pc 1985-87	75½xd	+¼	8.92	11.95
90½	81¼	Liverpool 9¾pc '80-84	90¼	−¼	10.80	13.05
27	24	Do. 3½pc Irred.	26¾	......	13.40	—
100¼	92¼	Lon. Corp. 13¼pc '83	100	−¼	13.23	13.21
94	79¼	Do. 9½pc '84-85	94	......	10.15	11.54
80½	71	L.C.C. 5½pc '82-84	80¼	−¼	6.85	11.85
70¼	60½	Do. 5½pc '85-87	70¼	......	7.89	12.12
69¼	60¾	Do. 6¾pc '88-90	69¼	+¼	9.78	12.19
23¾	21	Do. 3pc '20 Aft.	23¾	......	13.35	—
98⅞	95⅜	Newcastle 9¼pc '78-80	98⅞	+⅛	9.36	16.80
97½	87¼	Sunderland 12¼pc 1984	97½	......	12.56	12.98

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
91	82¼	Aust. 5½pc '81-82	91	......	6.16	12.70
85	72½	Do. 6pc 1981-83	85	+½	7.14	11.84
67	58	N.Z. 7¼pc 1988-92	67	+½	10.88	12.76
81½	72	Do. 7½pc '83-86	81½	+¼	9.29	12.15
96¾	88	Sth. Africa 9½pc '79-81	96¾	......	10.02	13.91
160	107	Sth. Rhod. 2½pc '65-70	153#	......	—	—
169	133	Do. 6pc '78-81	167#	......	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
64½	56½	Agric. Mt. 5pc '59-89	63½	......	7.91	11.75
83	73½	Alcan 10½pc '89-94	83	......	13.93	14.75
29¾	25	Met. Wtr. 3pc 'B'	29¾	......	10.50	12.59
103	89	U.S.M.C. 9pc 1982	99	......	9.23	—
92	85½	Do. without Warrants	92	+½	9.96	12.90

Financial

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅛	96½	FFI 13pc 1981	99⅛	......	13.11	14.73
101½	93½	Do. 14pc '83	101½	......	13.79	13.42
88	79½	FFI (UK Fn) 5½pc Db. '80-2	87½	......	6.42	13.39
82½	71½	Do. 6¼pc Db. '81-84	82½	......	7.71	12.00
92	80½	Do. 10½pc Uns.Ln. '86	92	......	11.48	12.70
91½	77	Do. 11pc Uns.Ln. '88	91½	......	12.10	12.70
93½	82	Do. 11¾pc Uns.Ln. '90	93½	......	12.66	13.10
101	84½	Do. 12½pc Un. Ln. 1992	100	......	13.06	13.20
66½	56	Do. 7¼pc A Deb. '89-92	66	−½	11.22	13.05
65	51½	Do. 7¼pc A Db. '91-94	65	......	11.65	13.20
76½	64½	Do. 9pc 'A' '91-94	76½	......	12.31	13.25
71½	61	Do. 8⅞pc Ln. '92-97	70½	......	13.43	14.10

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
82	43	Antofagasta Rly.	82	......	—	—
55	50	Do. 5pc Pref.	55	......	—	—

AMERICANS

CANADIANS

1980 High	Low	Stock	Price	+ or −	Div. Gross	C'vr	Y'ld Gr's
14⅛	925p	Hud.B.Oil G. $2½	13	+¼	h57½	—	1.7
21⅞	13⅛	Imperial Oil‖	16⅝	+¼	$1.40	—	3.2
14	855p	Inco‖	960p	−5	72c	—	2.8
565p	425p	Int. Nat. Gas $1	545p	+10	$1.00	—	6.9
495p	265p	Massey Ferg. 0	320p	......	—	—	—
200p	100p	Place Gas $1	115p	......	—	—	—
14⅞	10⅝	Rio Algom	12⅞	......	$1.50	—	4.5
19½	14½	Royal Bk.Can. $2	18⅜xd	−⅛	$2.56	—	5.2
25½	15⅞	Seagram Co. C$1	23⅞	......	SUS1.10	—	2.1
11$\frac{9}{16}$	890p	Tor. Dom. Bk. $1	11$\frac{5}{16}$	−⅛	$1.36	—	4.4
10½	815p	Trans Can. Pipe	900p	−20	$1.16	—	4.9

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	......	—	—	—
24	12	ACM 20c	21	......	—	—	—
105	52½	Bond Corp.	103	......	h02.8c	2.2	1.4
156	88	Bougainville I Kina	132	......	tu026.2c	1.0	10.9
265	195	BH South 50c	200	......	♦	—	—
25	11½	Canada Northwest	20	−1	—	—	—
42	8	Carr Boyd 20c	30	......	—	—	—
£36¾	£15¼	Central Pacific	£30½	+½	—	—	—
356	230	Conzinc Riotinto 50c.	254	−4	Q15c	2.1	3.1
41	17	Cultus Pacific N.L.	33	−1	—	—	—
52	20	Eagle Corp. 10c	38	......	—	—	—
27½	15¾	Endeavour 20c	23½	−½	—	—	—
464	175	G. M. Kalgoorlie 25c	420	−4	†Q3c	—	0.4
46	15	Great Eastern	21	......	—	—	—
460	260	Hampton Areas 5p.	430	−10	4.5	♦	1.5
204	30	Haoma Gold N.L.	150	−22	—	—	—
50	15	Intl. Mining	42	......	—	—	—
720	80	Leichardt Expln.	170	......	—	—	—
72	41	Metals Ex. 50c	56	+1	—	—	—
312	187	M.I.M. Hldgs. 50c	238	−2	†tQ6.1c	1.8	3.5
21	7	Minefields Expl. 25c.	21	......	—	—	—
155	60	Mount Lyell 25c	96	+1	Q15c	♦	—
28	15	Newmetal 20c	17	−2	—	—	—
45	12	Nickelore N.L.	45	......	—	—	—
207	137	North B. Hill 50c.	179	+1	†Q12c	1.4	3.5
101	44½	Nth. Kalgurli	90	......	—	—	—
165	90	Nth. Mining Corp.	110	−10	—	—	—
184	24	N. West Mining N.L.	138	−4	—	—	—
235	144	Oakbridge $A1	203	......	Q12c	4.7	3.1
153	70	Oilmin N. L.	124	+7	—	—	—
230	128	Pacific Copper	204	−4	—	—	—
465	255	Pancont'l 25c	330	−5	—	—	—
78	42	Paringa M&Ex.5p	59	......	—	—	—
495	335	Peko-Wallsend 50c.	410	−5	tQ17.5c	♦	2.2
230	140	Seltrust A	166	−2	—	—	—
£14¼	575	Southern Pacific	£11¼	+¼	—	—	—
98	31	Swan Resources 20c.	85	......	—	—	—
34	8	West Coast 25c	34	......	—	—	—
274	177	Westn. Mining 50c.	256	......	†Q7c	1.6	1.5
30	10	Westmex	18	......	—	—	—
108	56	Whim Creek 20c	85	−5	—	—	—
34	10½	York Resources	32	−2	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	14	......	j6.0	—	—
345	255	Ayer Hitam $M1	290	+5	†Q290c	8.2	‡
67	42	Beralt Tin	58	+2	4.5	1.3	11.1
225	149½	Berjuntai $M1	215	+5	†Q95c	1.3	‡
230	150	Geevor	160	......	8.4	1.4	7.5
11½	10	Gold & Base 12½p	11½	+½	—	—	—
460	310	Gopeng Cons.	445	......	†25.0	1.1	8.0
330	280	Hongkong	320	......	‡35.87	2.2	‡
105	90	Idris 10p	95	+1	14.0	1.3	21.7
15	12½	Jantar 12½p	13	......	1.5	‡	16.5
92	64	Kamunting $M0.50	87	+2	Q47½c	1.1	12.3
250	150	Killinghall $M1	250	......	h050c	♦	4.1
880	485	Malay Dredging $M1	785	......	†u0105c	2.6	2.7
39	26	Pahang	39	......	0.44	0.3	1.6
108	83	Pengkalen 10p	85	......	6.0	1.3	10.1
305	230	Petaling $M1	305	......	†Q150c	1.4	10.3
70	57	Saint Piran	65#	......	†2.5	6.4	‡
44	22	South Crofty 10p	28	−2	1.0	♦	5.1
350	180	South Kinta $M0.50	320	......	♦Q150c	1.0	10.0
540	325	Sthn Malayan $M1	535	......	♦Q175c	2.1	6.8
305	215	Sungei Besi $M1	290	......	†Q520c	1.0	36.6
42	22½	Supreme Corp. $M1	42	......	h08c	—	3.9
103	90	Tanjong 15p	100	......	5.75	6.0	8.2
95	78	Tongkah H. Tin	80	......	Q45c	1.1	12.6
330	220	Tronoh $M1	280	−10	Q250c	0.7	18.2

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	210	−7	m010c	♦	2.7

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	150	......	—	—	—
97	52	Barymin	53	−1	—	—	—
17	12	Burma Mines 10p	14½	......	0.62	1.1	6.2
146	53	Colby Res. Corp.	140	−2	—	—	—
502	290	Cons. Murch. 10c.	320	−10	hQ100c	1.8	17.9
180	106	††Hemerdon 10c.	110	......	—	—	—
585	325	Northgate C$1	380	......	—	—	—
485	327	R.T.Z.	467	−3	15.0	3.2	4.6
33	16	Robert Mines	24	+1	—	—	—
58	26	Sabina Inds. C$1.	28½	......	—	—	—
51	40	††SWCM 10p	40	......	—	—	—
650	411	Tara Exptn. $1	440	+4	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. *Estimated price/earnings ratios and covers are* based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- Merger bid or reorganisation in progress.
- Not comparable.
- *Same interim: reduced final and/or reduced earnings indicated.*
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, *P/E ratio based on latest annual earnings.* u *Forecast* dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M *Dividend and yield based on* prospectus or other official estimates for 1980. N Dividend and yield *based* on prospectus or other official estimates for 1981. P Figures *based on prospectus or other official estimates* for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	32	......			
Bertam	16	......	**IRISH**		
Bdg'wtr. Est. 50p	440	+5	Conv. 9% '80/82	£92	......
Clover Croft	60	......	Nat. 9¾% 84/89	£81¼	......
Craig & Rose £1	£10½	......	Fin. 13% 97/02	£96½	......
Fife Forge	32½	......	Alliance Gas	50	+2
Finlay Pkg. 5p	18	......	Arnott	200xc	......
Graig Ship. £1	£15½	......	Carroll (P.J.)	62	+2
Higsons Brew	75	......	Clondalkin	122	......
Holt (Jos) 25p	250	......	Concrete Prods.	70	......
I.O.M. Stm. £1	192	......	Heiton (Hldgs.)	33	......
Pearce (C. H.)	465	......	Ins. Corp.	260	+10
Peel Mills	45	......	Irish Ropes	45	......
Shell. Refrshmt	102½	......	Jacob	32	......
Sindall (Wm.)	142	−1	T.M.G.	88	......
			Unidare	80	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Sears	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23		
Guardian	23	*Trust Houses*	12	*Charter Cons.*	14
G.K.N.	20	Tube Invest.	23	Cons. Gold	40
Hawker Sidd	15	Unilever	40	Lonrho	8
House of Fraser	15	U.D.T.	5½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

FINANCIAL TIMES

Saturday July 26 1980

MAN OF THE WEEK

A policy for the future

BY JOHN MOORE

AROUND 700 bemused underwriters and underwriting agents left the Captain's Room at Lloyd's of Lime Street on Thursday morning wondering about the wisdom of a historically important decision which they had taken.

A deal had been explained to them by Mr. Peter Green, the chairman of this most famous insurance community, which is funded by private wealth, whereby a large part of the £21.5m of losses of the Sasse underwriting syndicate would be spread throughout the market.

All members who join Lloyd's, drawn from all sections of the wealthiest elements of society, are expected to accept the principle of unlimited liability. All members who join Lloyd's are expected to draw on the full extent of their wealth, down to the last cuff link or earring, to meet their insurance losses.

Green, the 55-year-old Lloyd's chairman of seven months, is sympathetic to this concept. He has told members of Lloyd's whom he has introduced to the market in the past

Peter Green, chairman of Lloyd's, *Blunt speaking and historic decisions.*

that before they join they should take out their cheque book and sign a series of blank cheques. These he said would be kept in his safe until he felt that he had to fill in an amount and cash one from time to time in order to meet the insurance liabilities of the member. If the prospective member wasn't enthusiastic about this suggestion Green did not encourage him to join.

Green has decided that after careful study there are enough mitigating circumstances, in the form of a number of irregularities, for Lloyd's as a whole to rally round and bail out the Sasse syndicate.

It is not the most popular decision that has ever been taken in the market. Some of the 5,000 or so who work in the market are unhappy that the principle of unlimited liability may have been breached, while others feel that Lloyd's should have taken action sooner.

But Green is not a man to be railroaded into a decision. Green is a highly respected underwriter in Lloyd's who also sits on the board of Hogg Robinson Group, the insurance broker, with large Lloyd's interests. He has worked in the market for over 30 years and is regarded by some observers, on his brief performance as chairman of Lloyd's, as likely incumbent of that office that the market has seen in over 10 years.

Blunt of speech, and somewhat pugnacious in his dealings with those members of the market who he does not think share his understanding of the problems, Green is firmly committed to the general principles of the Fisher report on Lloyd's self regulation.

He stands behind the recommendation that brokers, the buyers of insurance, should divest themselves of their shareholdings with underwriting managing agency companies, through which they have links with underwriting syndicates. The conflicts of interest might lead to possible abuse, says Fisher. "It is possible to live with your mother without committing incest," says Green but understands that political and consumer lobbies may find the present arrangement too cosy.

With two momentous decisions under his belt in the first seven months—a commitment to overhaul Lloyd's archaic disciplinary procedures and the more controversial action to bail out the Sasse syndicate—Green has already done much to restore the image of Lloyd's which has suffered in the last couple of years.

CO-OPERATION AGREED ON FORMING MARKET

London gold futures move

BY RICHARD MOONEY

LONDON is expected to have its own gold futures market by early next year.

The London Gold Market and the London Metal Exchange anounced yesterday that they had agreed to co-operate in formation of the futures market.

The Gold Market has formed a company in which its five members have an equal share. It will collaborate with the LME in forming the new market.

It is expected to be modelled on New York's Comex gold futures market, with contracts guaranteed by an independent central clearing house.

This will be a departure for the LME, which has always regarded its members' integrity and financial soundness as sufficient guarantee. In early negotiations the LME is understood to have resisted adoption of a clearing-house system for gold futures.

Apart from the Comex exchange, there are already markets in Singapore and Sydney. One is due to open shortly in Hong Kong.

The market will open gold trading to a wider range of London investors because of the lower deposits required for a speculative purchase compared with the existing London market.

Mr. Ian Foster, chairman of the LME, also claims that it will make for more openness in the market.

"At the moment five people sit around and set the London gold price privately," he said yesterday. "The new market will enable investors to see what's going on."

The exchange will fill a time gap in international gold futures trading left by the present markets.

Possibility of opening a futures market for gold has been under serious consideration for some time.

Even before lifting of exchange controls last October, the LME and the Gold Market had considered opening a futures market, though trading would have been limited to non-UK residents.

At the end of last year informal discussions were begun between the Gold Market and the LME, and in January the LME started negotiations with the International Commodities Clearing House, which serves London's non-metal commodity markets.

Formal talks between the LME and the Gold Market began in April.

The Bank of England is waiting to see the detailed proposals for the market.

Last October Mr. Gordon Richardson, the Governor, said that the gold futures market already operating in the U.S. "may have reinforced and certainly has not moderated the gyrations of prices in the physical markets."

Mr. Richardson warned that "great care must be taken in drawing together the finer details before any scheme is finally put before us." His words implied that the Bank had at least an informal regulatory interest in the new market.

U.S. to sell fighters to Australia

BY DAVID BUCHAN IN WASHINGTON

THE CARTER administration has told Congress it intends to sell 75 advanced jet fighters to Australia and that this will bolster a key ally in the Indian Ocean and South East Asia area.

Australia has ruled out other contenders, such as the French Mirage and the Anglo-German Tornado in re-equipping its air force.

The Defence Department said the deal, with training and spare parts, could be worth $3.1bn (£1.3bn). But the figure would depend on whether the Austra-F16. Marconi, the UK electronics both U.S.-made jets. The Canberra Government is expected to make the final choice this autumn.

But because the timetable of Congress is this summer broken up by recesses for the Democratic convention and for the election, the Administration is seeking early Congressional approval.

No objection on Capitol Hill is expected. Australia is seen as a key country in Indian Ocean defence. The Carter administration is examining Prime Minister Malcolm Fraser's offer to expand the Western Australian port of Cockburn Sound for U.S. warships.

Although Britain has lost out because of the rejection of the Tornado, it could still reap benefit if Australia chooses the F-16 Marconi, the electronics firm, has won a $13m contract to supply the F-16 with head-up display, which projects an image of the instruments on the windscreen of the aircraft. The value of the Marconi contract could grow as F-16 sales increase.

Michael Donne, Aerospace Correspondent, writes: The U.S.-Australian decision finally eliminates the European Panavia Tornado as a contender for the Australian Air Force re-equipment programme.

The European combine, in which British Aerospace is a major partner, had still hoped there might be a chance for Tornado, despite the fact that Australia some months ago excluded the aircraft from its "short-list." This included the General Dynamics F-16, the McDonnell Douglas F-18A, the Northrop F-18L and the French Dassault-Breguet Mirage 2000.

The aircraft are needed to replace the ageing 21 U.S. F-111s and 48 Mirage IIIs in the Australian strike and interceptor squadrons.

BL cuts 580 jobs at foundry

By Our Midlands Correspondent

BL COMPONENTS announced plans yesterday to make 580 workers redundant at West Yorkshire Foundries, Leeds—the latest cut in the ferrous foundry industry where 50,000 workers are on short-time.

The Council of Ironfoundry Associations has warned that the industry is near crisis point with a record number of redundancies, short-time working and falling order-books.

BL said the 1,100-strong Leeds workforce would have to be cut by more than half not only because of reduced demand from the cars division but also because of the general downturn in the national economy.

Up to 45 per cent of West Yorkshire Foundries' output is sold to other motor components suppliers and vehicle assemblers, including International Harvester, Ford, Rubery Owen, Eaton and York Trailers.

BL said the market had fallen this year and the deterioration was expected to continue through 1981 as a result of the business recession. For the foundry to remain viable, it was essential to reduce facilities at Leeds in line with demand.

Some jobs will be lost at the aluminium foundry sited at Leeds. Demand for aluminium has not fallen as sharply, but the redundancies form part of a modernisation programme.

Under the rationalisation plan announced last September by Sir Michael Edwardes, BL chairman, the project to build a £27m aluminium foundry at Leeds was abandoned.

Other redundancies, Page 3

New York Times in TV deal

BY CARLA RAPOPORT IN NEW YORK

THE NEW YORK TIMES company has become the latest in a series of U.S. communications companies to move into the fast-growing cable television business.

In a $119m (£49.6m) deal the company has acquired the cable TV operations of two companies serving southern New Jersey.

The move comes after a decision this week by the Federal Communications Commission to reduce the restrictive regulation of cable TV operators.

The commission decided that cable TV operators would be freed from rules preventing their broadcasting the same programmes as network stations competing for the same viewers.

A second limitation lifted had prevented cable TV operators from using programmes relayed to them from more than about 50 miles.

The agreement, signed yesterday, consists of payment of $36.5m by the New York Times to complete construction of the systems purchased, and $82.7m in cash to the two sellers, Cable Systems and Audubon Electronics.

The deal may be ended by the New York Times if certain construction and operational levels are not reached within a specified time, including a base of no fewer than 73,000 subscribers by early 1981.

At the end of June the two systems had 53,000 subscribers from 115,000 households near their lines.

Mr. Irving Kahn, a pioneer of cable television in the U.S., owns all the stock of Audubon and 20 per cent of Cable Systems.

Under a separate agreement with the New York Times Mr. Kahn remains as a consultant with the company for six years.

Split tanker's officers arrested

BY CHARLES BATCHELOR IN AMSTERDAM

THE MASTER and first officer of the 215,000 dwt, Hong Kong-owned tanker Energy Concentration have been arrested pending possible charges of negligence, Rotterdam police said yesterday.

The tanker broke its back while unloading part of its cargo at the Mobil terminal in Rotterdam's Europort early on Tuesday, threatening a disaster in an area surrounded by acres of oil storage tanks.

The police said they had announced their preliminary inquiries early because of the importance of the issue. If the public prosecutor decides to bring charges, the case would be heard as soon as possible to avoid holding the men in custody for too long.

The two ship's officers told Dutch officials that after a change in the tanker's route made adjustments to the cargo necessary, they had been unable to use a calculator on board to work out how the tanker's load should be redistributed.

Mr. P. F. Wang, the first officer, from Taiwan, forgot to carry out an order to pump oil into the tanker's two empty midships tanks. Mr. S. K. Lam, the master, from Hong Kong, did not check that his instructions had been carried out, the police said.

According to Dutch maritime officials the ship could have split in two at any time on its voyage to Rotterdam from the French port of Le Harve. "The experts say it is a mystery how the Energy Concentration managed to reach Rotterdam," police said.

The ship left the Gulf intending to discharge some of its cargo of crude in Rotterdam before sailing on to Immingham in the UK and then to Le Havre. When the vessel arrived off France it was ordered to unload first at Le Havre.

The ship did not have a computer equipped to calculate the new distribution pattern of oil in its 17 tanks, the two officers told police. They were forced to turn to a smaller calculator which neither man would use properly. The instructions for use were written in Norwegian, which none of the crew understood.

The master nevertheless ordered his first officer to pump some oil into the empty tanks. The first officer forgot to do this and the master did not check that it had been done, according to their statements to the police.

Continued from Page 1

Total and Gulf censured

As a result the ship broke its back, a fire started and a massive explosion soon followed.

Earlier this week, the 212,000 dwt Energy Concentration, broke in half in Rotterdam because of apparent mistakes in discharging its tanks. A major disaster was averted since the ship, unlike the Betelgeuse, was equipped with an inert gas system which limits explosions.

The tribunal concludes that Total's management was to blame for the Betelgeuse's weakened hull, which was due to deliberate decisions not to renew certain parts of the ship's structure because they were about to sell it.

"Had the vessel been properly maintained it is probable that its structure would not have failed," says the report. In addition, the ship was not equipped with any instrumentation to measure the stresses resulting from the incorrect balancing.

The instruments, known as loadicators, are commonplace on most large tankers and would have warned the crew

Total said last night that it still firmly believed that the explosion of the vessel's tanks was caused by a fire which started on the jetty.

Apart from the fact that the dispatcher was not in the control room at the start of the disaster, the tribunal criticises Gulf on a number of other counts. Instead of two standby tugs there was only one, and this was moored out of sight.

If it had been immediately available as was intended, it is "probable that the lives of both the jetty crew and those on board the ship would have been saved." It was also probable that the ship could have been saved.

The tribunal also says that Gulf gave inadequate consideration to the means of escape from the jetty; lowered the standards of fire-fighting equipment maintenance because of economy measures

The tribunal has produced a list of 45 recommendations. It wants ships of over 10,000 dwt to be fitted with efficient means of measuring stress to tell if cargoes are being loaded or unloaded incorrectly.

Dunlop Continued from Page 1

shares in Dunlop, thus preventing their sale.

One possible reason for keen Malaysian interest in Dunlop's shares, which are standing well below the value of its assets, is the extent of the group's estate and manufacturing activities

Dunlop Malaysian Industries Berhad and Dunlop Estates Berhad are quoted on the local stock exchange, with the UK parent group owning 51 per cent. Both reported higher profits last year.

Apart from Mr. Ghafar, a former Minister of Agriculture who runs Komplek Kewengan, a semi-official Malay financial institution, agencies of the oil- and timber-rich East Malaysian States of Sabah and Sarawak are also believed to have been buying Dunlop shares.

Weather

UK TODAY

RATHER cloudy in most places with some rain later in Eastern and S. Eastern areas after a brighter start. Generally unsettled.

London, S.E., S.Cent. England, Midlands

Bright at first but showers, perhaps thunder, later. Warm. Max. 25C (77F).

East England

Dry, sunny periods, thundery showers later. Very warm. Max. 26C (79F).

S.W., Channel Isles, Wales

Cloudy with sunny intervals. Max. 20C 68F).

N.W. England, S.W. Scotland

Cloudy, rain at times. Max. 20C (68F).

N.E. England

Bright at first, showers later. Max. 23C (73F).

Scotland, except North

Cloudy with showers. Max. 20C (68F).

WORLDWIDE

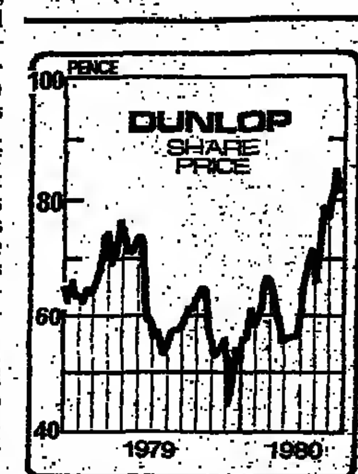
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	Jersey	S	26	79
Algiers	S	28	82	L. Plms.	S	33	91
Amsdm.	S	23	73	Lisbon	F	23	73
Athens	S	30	86	Locarno	S	27	81
Bahrain	S	38	100	London	S	26	79
Barclna.	S	27	81	Luxmbg.	S	26	79
Beirut	F	29	84	Luxor	S	38	100
Belfast	C	17	63	Madrid	S	32	90
Belgrd.	F	26	79	Majorca	S	30	86
Berlin	S	24	75	Malaga	S	25	77
Biarritz	C	20	68	Malta	S	28	82
Bnghm.	S	23	73	M'chstr.	S	24	75
Blackpl.	S	25	77	Milan	S	29	84
Bordx.	C	22	72	Moscow	C	20	68
Bristol	S	26	79	Munich	S	25	77
Brussels	S	26	79	Naples	S	30	86
Budpst.	C	25	77	Nwcstl.	S	20	68
Cairo	S	33	91	N. York	S	28	83
Cardiff	S	24	75	Nice	S	25	77
Cas'b'ca	F	24	77	Nicosia	S	28	82
Chicago	S	29	84	Oporto	C	19	66
Cologne	S	27	81	Oslo	S	23	73
Cpnhgn.	S	23	73	Paris	S	28	82
Corfu	S	29	84	Prague	S	23	73
Dublin	C	15	59	Reykjvk.	C	8	46
Dbrvnk.	S	27	81	Rhodes	S	29	84
Ednbgh.	S	24	75	Rome	S	28	82
Faro	S	29	84	Salzbrg.	S	27	81
Florence	S	31	88	Stckhm.	S	25	77
Frankft.	S	27	81	Strasbg.	S	26	79
Funchal	S	26	79	Tangier	S	24	75
Geneva	S	25	77	Tel Aviv	S	28	82
Gibrltr.	S	30	86	Tenerife	S	32	90
Glasgow	S	21	70	Tunis	S	29	84
G'msey	S	22	72	Valencia	S	29	84
Helsinki	S	25	77	Venice	S	28	82
Innsbrk.	S	27	81	Vienna	S	26	79
Invrnss.	C	21	70	Warsaw	F	22	72
I.o.Man	C	16	61	Zurich	S	26	79
Istanbul	S	26	79				

C—Cloudy. F—Fair. S—Sunny.

THE LEX COLUMN

Midland prepares for trouble

Index rose 0.3 to 487.3



If Lloyds Bank's figures last week left clearing bank analysts sinking groggily to their knees, Midland's have them stretched out on the canvas. Widely expected to produce interim pre-tax profits of £170m or so (against £138.5m), Midland has come out with only £124.5m. Like Lloyds it complains of higher staff costs and a shift from current to deposit accounts which raised the cost of its retail funds, and it may have taken running losses on its money book as a result of lending long, down a backward-sloping yield curve.

But this is just quibbling. What threw the analysts — and everyone else — was the leap in Midland's charge for bad and doubtful debts to £39m, against £13m in the whole of 1979. Lloyds' £16m bad already caused some surprise, and the Midland figure is downright astonishing, even considering that the bank inserted a receiver into Dunbee-Combex-Marx in February.

Actual bad debt write-offs less recoveries, however, seem to have been very low — a mere £3m — in the first half. So in making such a high charge to the profit and loss account, Midland is either indulging in long-range smoothing of its figures, or anticipating a bloodbath in the industrial sectors where the bulk of its business lies.

It would be eccentric, though, to carry profit-smoothing to the extent of producing a £9m attributable loss in the interim current cost accounts, where the last year's rapid inflation has thrown up a £114m adjustment for the replacement of monetary working capital. Consistent with this gloomy picture, Midland has left its interim dividend unchanged at 7.5p: some disgruntled shareholders might ask whether, under these circumstances, it can afford to spend $300m on half an American bank.

Property deals

The revival of takeover activity in the property share sector yesterday, with two separate sets of deals announced, may be a signal that some of the sleepier companies in the sector could soon find themselves on the receiving end of advances. British Land, having shrunk and degeared through disposals since the mid-1970s, is now building up again, although by the safer route of issuing shares. The agreed offer for United Kingdom Property will swell its shares in issue by a third. But taken together with the cash and convertible offer for the Corn Exchange Group, worth about £11m, gearing will barely change. There may be a slight fall in the fully-diluted net asset backing per share, and with British Land standing in the market at more than 30 per cent below asset backing, a paper deal only stands up because UKP's discount is rather greater.

Costain's £28.5m cash bid for County and District Properties represents something of a premium over net worth — of 30 per cent or so over shareholders' funds in the latest balance sheet, although the last property valuation is 16 months out of date. C and D is virtually ungeared, and has several sites with long term development potential, which should suit Costain. A successful takeover would take Costain's property portfolio up to its targeted quarter of net assets, at about £55m. The stock market seemed to approve the exchange of some of Costain's £100m-plus cash for property yesterday, marking up the price 2p to 194p.

John Brown

John Brown's profits forecast of at least £18m pre-tax for the year to March was always meant to be extremely conservative, but all the same the market was more than a little relieved to see a figure of £21.1m, against £28.4m.

Most of the fall has come on the gas turbine side, where profits were nearly halved to £5.3m. Even this figure gives a flattering picture of trading — it mostly relates to contract completions in the early part of the year, while in the later months Brown was selling from stock at a loss. This year will show a further fall here and most probably on the process plant side: like Davy, John Brown is looking for an improvement in the U.S., but CJB's UK-based order book is said to be "dreary."

So if profits in the current year turn out in the region of £20m as the company's statement seems to suggest, it will be because Leesona, the U.S. plastics machinery company, comes in with a fair contribution—perhaps £3m or so. The fall in U.S. interest rates will certainly help. Brown views its high 1978-79 profits as having been something of a freak, and to hold profits this year at somewhere near 1979-80 levels would be quite satisfactory.

It would probably not provide the excuse for raising the dividend much above present levels, however, even though last year's payout was nearly twice covered by current cost earnings. Up 4½p yesterday at 57p the shares yield over 11 per cent and stand at roughly 4 times prospective earnings.

Dunlop

Following months of speculation, it now seems that up to a fifth of Dunlop's shares are in unknown hands in the East. This is unsatisfactory for management, employees, and the rest of the shareholders, and a speedy inquiry by the Department of Trade's inspectors is obviously appropriate. All the same, it is difficult to believe that someone could be trying to get control of the whole group by stealth.

Admittedly Dunlop's shares stand way below net asset value: the capitalisation — of £108m at 81p compares with shareholders' funds of £437m on a current cost basis. Its share of the Malaysian plantations could alone be worth £25m, and its industrial interests there might have a similar value.

But Dunlop's assets could not easily be stripped. It has over 50,000 employees in Europe, more than half of whom are involved in the loss-making tyre business. And the trading background is very tough at present. The group will be doing well to improve on last year's depressed performance, when the historic cost return on capital was just 8 per cent, and there was a sizeable loss in current cost terms.

Moreover, if anyone buys more than 25 per cent of Dunlop, Pirelli has the right to unscramble its union with the UK group. Pirelli has a 49 per cent share in Dunlop's European business and a 40 per cent stake elsewhere, and the consequences of a split could not be calculated in advance by a predator.

Maybe someone is merely seeking influence in order to buy the plantations outright. But Dunlop says that there have been no formal approaches for these assets—and they are not for sale.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.

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